

Company registration number: 04894491

Charity registration number: 1102276 (England & Wales) and SCO 45819 (Scotland)

Tax Volunteers

known as

Tax Help For Older People

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2018

Tax Volunteers

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Tax Volunteers

Reference and Administrative Details

Trustees

C W Tulloch, Chairman
L W Shaw
A M Delorie
A Muzammal
J Jesty
P A Houston (resigned 31 December 2017)
S Mitha CBE
J G Whitehead
C G Jones (appointed 11 August 2017; died 6 December 2017)
C S Muir (appointed 5 December 2017)

Secretary

J W M Crump

Chief Executive Officer

G R Millner

Principal Office

Unit 10
Pineapple Business Park
Salway Ash
Bridport
Dorset
DT6 5DB

Registered Office

1st Floor
11-19 Artillery Row
London
SW1P 1RT

Company Registration Number

04894491

Charity Registration Number

1102276 in England & Wales and SCO 45819 Scotland

Auditor

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

Tax Volunteers

Chairman's Report for the Year Ended 31 March 2018

It is pleasing to be able to report a year in which we helped nearly 14,500 clients and conducted over 25,000 tax sessions. In the process, we emerged with a small surplus over our costs and indeed hope to do so again in the year to March 2019.

The political turmoil surrounding Brexit has affected HMRC, which has had to divert considerable resources to planning what at present is an uncertain import and export regime. A number of its programmes for handling personal taxpayers have therefore been slowed down. On the other hand, they remain keen to engage with us, to draw on our experience and to ensure that what we provide our clients dovetails neatly into what it is their responsibility to do. Their service for those who need enhanced support ('NES') has been a success, although inevitably there is more to be done.

We are delighted to be working with ever more people and organisations across the profession. This has been primarily through a fundraising campaign carried out jointly with our friends at TaxAid UK, and intend to raise continuing funding from the entire tax profession - lawyers and accountants, large firms, small firms and individuals. Our share of funding from this campaign alone amounted to £69,000, up from £35,000 in the year to March 2017, and we are expecting further funding this year.

That is not to say that we do not already engage with the profession. The Chartered Institute of Taxation, the Association of Tax Technicians, the Worshipful Company of Tax Advisers, Women in Tax, Lexis-Nexis and numerous other organisations and individuals have all been generous to us with their time and their resources. We are deeply grateful to them all.

We have also been reviewing our services, how we deliver them and whether our close relationship with TaxAid UK means that any change would help our clients more, or help more clients, or both. We are particularly grateful to Deloitte LLP and to Rachel Anderson for their willing help in our review and for their support in our wider fundraising activities as well.

Despite all this change, our clients remain our focus. They are well served by our permanent staff in Bridport and by our 430 volunteers. The empathy and knowledge of our staff and volunteers is, and will remain, fundamental to our activity. The trustees are deeply grateful to them for all they do.

The trustees were saddened by the death of one of our number, Chris Jones, last November. His understanding, support, energy and charisma are much missed.

C W Tulloch

C W Tulloch
Chair of the Trustees
Dated: 10 October 2018

Tax Volunteers

Trustees' Report

Objectives and activities

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

- We provide help and advice on tax, free of charge, to people aged 60 or older and on low incomes (less than £20k), giving them greater financial security and peace of mind.
- We provide information and education on taxation to people of pension age and to organisations in the voluntary sector who help them.
- We help the tax system to work better both as a result of our individual interventions and our work with the tax profession and HMRC.

The charity's objects are:

- The relief of poverty by the provision of free taxation advice and assistance to persons who for reasons of poverty would otherwise be unable to obtain such advice or assistance; and
- The advancement of education in the administration and practice of taxation and the principles of economics and political science in relation to taxation for the benefit of the public.

Activities

To achieve its charitable objects Tax Volunteers provides:

- Tax Advice. The charity has developed a free tax advice service throughout the UK named Tax Help for Older People which is staffed by a telephone advice centre in Bridport and by volunteers who are suitably qualified tax advisers working from their homes and premises such as public libraries, Citizens Advice and Age UK. We also make home visits to clients unable to attend surgeries.
- Tax Education. The charity has also established an educational programme which provides tax awareness talks to community and other pensioner groups and specialist training to other voluntary sector advice and information agencies. It also publishes tax advice leaflets, booklets and electronic media and is available for consultation with HMRC on proposed and enacted tax legislation.

Volunteers

One aspect of our service is our nationwide network of volunteer tax advisers drawn from within the tax profession including retired HMRC staff. At any one time we have around 430 individuals registered with us who are ready and willing to make themselves available on a pro bono basis and bring their considerable knowledge and experience to bear on behalf of our clients, who could not otherwise afford to pay for it. The economic value of these professional services is of significant value to the charity, and it has been reasonably and reliably measured in these financial statements. The contribution made by our volunteers is fundamental to the continuation of the work of the charity.

Visions, aims and values

Vision

To be recognised as a leading provider of free tax advice and advocacy for those on lower incomes.

Tax Volunteers

Trustees' Report

Aims

- Help as many vulnerable and unrepresented older people on lower incomes as possible to achieve certainty and peace of mind in their personal tax affairs by providing impartial and free tax advice.
- Be recognised nationally as the leading source of information on how the tax system impacts on our clients.
- Advocate long-term improvements to the tax system and represent the needs and interests of individual client groups to those in authority who have influence and power to make the changes required to the personal tax system.
- Use the experience and knowledge that we gain through our work to improve tax awareness amongst clients, potential clients and the wider public.
- Train others in the advice sector on personal tax matters.
- Have in place a robust and innovative funding programme that seeks resources from statutory, charitable, business and individual sources to ensure the sustainability of our organisation and the services it provides.

Values

Valuing our clients, our staff and volunteers, honesty and accountability, equality and fairness and providing value for money.

Achievements and performance

Tax advice

During 2017/18 the charity carried out 24,934 tax advice sessions (2016/17 - 25,006) across the UK with 14,466 clients (2016/17 - 14,631). In 2017/18, we identified additional tax liability of £360,286 and negotiated the reduction of the tax liability (including repayments) of our clients by £606,990, and agreed with HMRC tax debt written off or waived of £126,200.

Tax education

As part of its remit the charity produces a range of material aimed at educating its clients and potential clients. Through the information it supplies it wants to leave its clients with a better understanding of their own personal tax position, and of how they can take control of their own tax affairs, if a similar issue or question arises in the future. The charity's approach is twofold in that it seeks not only to address the current issue, but also seeks to provide the client with the information and tools to take control of their affairs in the future. Through this provision of information it aims to focus the support through its contact centre and the use of its volunteers on those most in need and unable to help themselves.

The charity's Strategy and Institutional Plan 2015-2019 focusses on four pillars: the delivery of our core tax advice service, the development of our educational capability, the use of the financial resources, and the charity's organisational resilience.

A significant focus during the year has been on reviewing both our Advice Model and Volunteering Model so that we can increase our capacity to assist more vulnerable people in the most cost-effective way. In conjunction with our sister charity TaxAid UK, we have undertaken a review of our current models and are exploring and piloting other ways in which we can help clients and make greater and more efficient use of those wishing to volunteer from the tax profession. We have also spent time reviewing our information technology requirement in order to be able to support new delivery models. We would particularly like to thank Deloitte LLP and in particular Matt Ellis and Rachel Austin along with Rachel Anderson, a volunteer, for their significant contribution to making this happen.

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Trustees' Report

Corporate services

In addition to running training and retirement training courses, the charity has an agreement with Aviva Life Services UK Limited to provide tax advice services to their customers on a referral basis. The charity has also developed a new relationship with Xafinity, now part of Xafinity Punter Southhall, where the charity is referenced in the firm's materials as a source of tax advice to suitable clients with regard to pensions.

Financial review

Results for the year

The statement of financial activities on page 12 shows a small surplus of income over expenditure in the year of £9,848 (2017 - deficit £8,745). This takes into account a planned reduction of £40,000 on the previous year of grant funding from HMRC. This move into a small surplus reflects the continued focus on controlling costs and a growth in income both direct and through the Bridge the Gap campaign run in conjunction with our sister charity TaxAid UK. Income forecasts and overheads continue to be strictly monitored and controlled by the senior management team and the board.

Forecast results for future years

The charity continues to prepare prudent budgets and develop and deliver financial and organisational controls to provide a cost-effective use of resources and safeguard its financial stability. The budget for 2018/19 is forecast to show a modest surplus.

Investment powers and policy

The charity's trustees have power to invest such part of the funds of the charity as they may see fit and to direct the sale or transposition of any such investments and to expand the proceeds of any such sale in furtherance of the objects of the charity.

Under their investment policy, which has no social, ethical or environmental restrictions, the trustees will:

- Take independent investment advice on all longer-term investments;
- Regularly review the value of funds the charity requires to be held in investment, short-term deposits and cash to ensure that they are adequate to meet the obligations identified in the charity's business plan;
- Regularly review with the investment advisers the performance of longer-term investments; and
- Invest liquid assets in short-term low risk investments.

The charity relies on funding that has no guarantee of continuation in the longer-term and it is unlikely that there will be sufficient funds for investment in the near future apart from short-term bank deposits.

Reserves policy

The trustees have assessed the risks involved in the activities of the charity and have agreed the following reserves policy:

- Provide stability and the means for the development of the charity's principal objects; and
- Our-long term goal is to achieve a sufficient level of readily realisable fixed assets investments to provide a cushion equivalent to six months' operating expenditure. In 2017/18 the target for reserves was £300,000. The actual reserves at 31 March 2018 were £228,398 (31 March 2017 - £218,550).

The trustees are endeavouring to ensure the success of the charity by developing and building a broader base of revenue streams, in particular the 'Bridge the Gap' campaign which has been established in collaboration with TaxAid UK (registered charity number in England and Wales 1062852). The trustees are aware that the lack of free reserves, together with the current economic climate and any adverse impact from Brexit, will provide a challenging environment for a number of years ahead.

Tax Volunteers

Trustees' Report

Plans for future periods

We estimate that demand for our core tax advice service will continue to grow, particularly in the areas of pension flexibility and through HMRC's push to move more individuals into online access to information through their personal tax accounts. Whilst we recognise that digital engagement is a suitable means of informing or providing information to the majority of taxpayers, a significant proportion of our particular demographic is less likely to be able to, or willing to, engage with HMRC in this way so it is important to be able to identify and quantify the barriers they face in dealing with their tax affairs.

The charity sees an individual's understanding of their tax position and how the tax system works as a key requirement for an individual to become financially capable. As part of our provision of information and assistance to our clients, we will seek to link our educational resources to the best practice models utilised and developed as part of the UK's financial capability strategy, which is being spearheaded by the Money Advice Service from their 'What Works Fund' to research the answers to the following questions:

For older people aged 60+ with low levels of computer skills, what works well to enable them to access and manage their own personal digital tax accounts (PTAs) and overcome barriers to engaging with their finances online?

- *To what extent does each support model, and the provision of digital skills, lead to improved financial confidence to maintain their PTA in the future?*
- *What impact does the experience of managing their own PTA online improve confidence to (sic) and use of other digital financial services in the future?*

This project is due to complete at the end of March 2019 and will provide a greater insight on how best to tackle the challenge of client engagement in an increasingly digital world, where failure to be digitally enabled is more likely to increase exclusion, and reduce opportunity, to our client market.

In order to meet our charitable aims we will continue to develop and widen our fundraising strategy across a wider range of potential funders, who have an interest in improving the tax knowledge of older people on low incomes. In particular we will look to expand and encourage further support from those involved in tax and in conjunction with our sister charity TaxAid UK through the Bridge the Gap fundraising initiative, seek to raise over £170,000 as we move towards our target of raising £250,000 per year in an ongoing and sustainable way.

During the coming year we will continue to work closely with TaxAid UK. We anticipate that this will not only bring some cost savings by removing some duplication of effort, but more importantly that it will also help improve our service provision, increase the number of clients we can help and, through the sharing of best working practice, improve the awareness of the two charities' services among those in direct need and with those other charities working with vulnerable and low income individuals.

Risk

The charity's activities expose it to a number of financial risks including credit risk and cash flow risk.

Cash flow risk

The charity's activities expose it primarily to the cash flow risk relating to the receipt of donations for core funding. This is mitigated to some extent through its current three-year agreement with HMRC who makes payments quarterly in advance. The charity has sought to further reduce this risk by seeking donations from the profession through its Bridge the Gap campaign through which it currently makes disbursements as agreed with its sister charity TaxAid UK.

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Trustees' Report

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order 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 10 October 2018 and signed on its behalf by:

C W Tulloch

C W Tulloch
Trustee

Tax Volunteers

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Tax Volunteers 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 10 October 2018 and signed on its behalf by:

C W Tulloch

C W Tulloch
Trustee

Tax Volunteers

Independent Auditor's Report to the Members and Trustees of Tax Volunteers

Opinion

We have audited the financial statements of Tax Volunteers (the 'charity') for the year ended 31 March 2018, 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 2018 and of its results 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Tax Volunteers

Independent Auditor's Report to the Members and Trustees of Tax Volunteers

We have nothing to report in this regard.

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper 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'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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Tax Volunteers

Independent Auditor's Report to the Members and Trustees of Tax Volunteers

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members and 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, the charitable company's members as a body and the charitable company's 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: 10 October 2018

Tax Volunteers

Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2018	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	3	396,854	394,550	791,404
Charitable activities	4	-	111,752	111,752
Investment income	5	63	-	63
Total Income		<u>396,917</u>	<u>506,302</u>	<u>903,219</u>
Expenditure on:				
Raising funds		(50,302)	-	(50,302)
Charitable activities	6	(361,455)	(481,614)	(843,069)
Total Expenditure		<u>(411,757)</u>	<u>(481,614)</u>	<u>(893,371)</u>
Net (expenditure)/income		<u>(14,840)</u>	<u>24,688</u>	<u>9,848</u>
Net movement in funds		(14,840)	24,688	9,848
Reconciliation of funds				
Total funds brought forward		<u>214,175</u>	<u>4,375</u>	<u>218,550</u>
Total funds carried forward	18	<u>199,335</u>	<u>29,063</u>	<u>228,398</u>
2017	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	302,812	415,500	718,312
Charitable activities	4	-	83,737	83,737
Investment income	5	302	-	302
Total Income		<u>303,114</u>	<u>499,237</u>	<u>802,351</u>
Expenditure on:				
Raising funds		(93,363)	-	(93,363)
Charitable activities	6	(205,491)	(512,242)	(717,733)
Total Expenditure		<u>(298,854)</u>	<u>(512,242)</u>	<u>(811,096)</u>
Net income/(expenditure)		<u>4,260</u>	<u>(13,005)</u>	<u>(8,745)</u>
Net movement in funds		4,260	(13,005)	(8,745)
Reconciliation of funds				
Total funds brought forward		<u>209,915</u>	<u>17,380</u>	<u>227,295</u>
Total funds carried forward	18	<u>214,175</u>	<u>4,375</u>	<u>218,550</u>

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

The funds breakdown for 2017 is shown in note 18.

Tax Volunteers

(Registration number: 04894491)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	5,081	6,068
		<u>5,081</u>	<u>6,068</u>
Current assets			
Debtors	13	126,778	107,835
Cash at bank and in hand	14	111,396	139,042
		<u>238,174</u>	<u>246,877</u>
Creditors: Amounts falling due within one year	15	<u>(14,857)</u>	<u>(34,395)</u>
Net current assets		<u>223,317</u>	<u>212,482</u>
Net assets		<u>228,398</u>	<u>218,550</u>
Funds of the charity:			
Restricted funds		29,063	4,375
Unrestricted income funds			
Unrestricted funds		<u>199,335</u>	<u>214,175</u>
Total funds	18	<u>228,398</u>	<u>218,550</u>

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 10 October 2018 and signed on their behalf by:

C W Tulloch

C W Tulloch
Trustee

J G Whitehead

J G Whitehead
Trustee

Tax Volunteers

Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash income/(expenditure)		9,848	(8,745)
Adjustments to cash flows from non-cash items			
Depreciation		5,073	7,545
Investment income	5	(63)	(302)
		<u>14,858</u>	<u>(1,502)</u>
Working capital adjustments			
Increase in debtors	13	(18,943)	(80,303)
Decrease in creditors	15	(19,538)	(121,543)
		<u>(23,623)</u>	<u>(203,348)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	63	302
Purchase of tangible fixed assets	12	(4,086)	(517)
		<u>(4,023)</u>	<u>(215)</u>
Net cash flows from investing activities		<u>(4,023)</u>	<u>(215)</u>
Net decrease in cash and cash equivalents		(27,646)	(203,563)
Cash and cash equivalents at 1 April		<u>139,042</u>	<u>342,605</u>
Cash and cash equivalents at 31 March		<u>111,396</u>	<u>139,042</u>

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

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

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 £10 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales; and in Scotland, its registered office is 1st Floor, 11-19 Artillery Row, London, SW1P 1RT.

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) and the Companies Act 2006.

Basis of preparation

Tax Volunteers 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

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable, which include grants of a general nature provided by government, are accounted for when evidence of unconditional entitlement is received except when they are subject to donor-imposed conditions. Grants received which impose regional restrictions are treated as contributing to the cost of providing free tax advice in that specified area and costs are apportioned on a quarterly basis commencing in the quarter following the quarter in which the grant was received. Income earned for the provision of tax services under agreement with commercial organisations is invoiced on a quarterly basis in arrears following the delivery of the service.

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.

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

Donated services and facilities

Donated facilities and services including the contributions made by professional volunteers are recognised in these financial statements as income with an equivalent amount in expenditure and are measured and included in the financial statements on the basis of the value of the gift to the charity on the condition that the value does not exceed the price that the charity would pay in the open market.

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.

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	87%
Tax education	3%
Cost of raising funds	8%
Governance costs	2%

Governance costs

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

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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 £100 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
Leasehold improvements	Straight line over the life of the lease
Office equipment	4 years straight line
Computer equipment	4 years straight line
Call-centre equipment	4 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.

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

Fund structure

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

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.

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.

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

3 Income from donations and legacies

	Unrestricted funds		Total 2018 £	Total 2017 £
	General	Restricted funds		
	£	£		
HM Revenue & Customs	-	340,000	340,000	380,000
Sobell Foundation	-	1,000	1,000	1,000
Woodroffe Benton	-	-	-	1,000
Chartered Institute of Taxation	-	20,000	20,000	20,000
Association of Taxation Technicians	-	6,000	6,000	6,000
CSIS Charity Fund	10,000	12,050	22,050	10,000
Oakdene Foundation	-	2,500	2,500	2,500
Valentine Charitable Trust	-	5,500	5,500	5,000
Tax Advisers' Charitable Trust	3,500	-	3,500	6,000
Esmée Fairbairn	-	7,500	7,500	-
Charles and Elsie Sykes	-	-	-	1,500
Goldsmiths' Company	-	-	-	3,000
Schroder Charity	-	-	-	3,000
Gift aid and other donations	94,758	-	94,758	70,764
Donated facilities and services	288,596	-	288,596	208,548
	<u>396,854</u>	<u>394,550</u>	<u>791,404</u>	<u>718,312</u>

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

Other donations includes 50% of the following amounts greater than £2,500 received through Bridge The Gap. This is a joint initiative set up by Tax Volunteers and TaxAid UK, whereby amounts received are split equally between the two charities.

	2018	2017
	£	£
The Bernard Charitable Trust	10,000	-
Linklaters	10,000	-
Pure Recruitment	10,000	-
Slaughter & May	10,000	10,000
Akin Gump	5,000	-
Freshfields	10,000	-
Tax Advisers' Charitable Trust (the Worshipful Company of Tax Advisers)	3,775	-
London Legal Walk 2017	2,900	-
Inman Charity	2,500	-
Chartered Institute of Taxation	-	4,000

4 Income from charitable activities

	Restricted funds	Total 2018	Total 2017
	£	£	£
Aviva Life Services Ltd	32,650	32,650	52,854
Society of Later Life Advisers	2,542	2,542	745
Legal & General	-	-	29,167
Age UK	233	233	145
Age Concern	406	406	826
Money Advice Service	65,921	65,921	-
Xafinity	10,000	10,000	-
	111,752	111,752	83,737

5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General	£	£
	£	£	£
Interest receivable and similar income:			
Interest receivable on bank deposits	63	63	302
	63	63	302

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

6 Expenditure on charitable activities

	Cost of raising funds	Tax advice	Tax education	Governance costs	Support costs	Total 2018	Total 2017
	£	£	£	£	£	£	£
Staff costs	25,337	263,606	9,258	6,334	134,482	439,017	450,003
Gifts in kind	-	288,596	-	-	-	288,596	208,548
Depreciation	-	-	-	-	5,074	5,074	7,545
Telephone	-	18,284	-	-	17,795	36,079	30,731
Postage and stationery	5,565	4,760	-	-	8,487	18,812	12,058
Advertising	-	3,136	-	-	-	3,136	506
Legal and professional fees	-	-	-	6,388	1,884	8,272	12,822
Volunteer expenses	-	6,047	901	2,096	-	9,044	9,809
Rent, rates and services	-	162	-	-	50,625	50,787	49,095
Bank charges	-	-	-	-	480	480	452
Audit	-	-	-	5,984	-	5,984	2,400
Insurance	-	-	-	403	1,803	2,206	1,904
Repairs and maintenance	-	-	-	-	822	822	587
Staff travel and training	-	4,016	-	-	7,869	11,885	11,001
Computer costs	-	-	-	-	11,945	11,945	12,362
Sundry	-	-	-	-	1,232	1,232	1,273
	30,902	588,607	10,159	21,205	242,498	893,371	811,096
Support costs	19,400	210,973	7,275	4,850	(242,498)		
Total expenditure 2018	50,302	799,580	17,434	26,055	-	893,371	
Total expenditure 2017	93,363	690,855	4,133	22,745		811,096	

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

£411,757 (2017 - £298,854) of the expenditure on the prior page was attributable to unrestricted funds and £481,614 (2017 - £512,242) to restricted funds.

7 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2018 £	2017 £
Operating leases - other assets	(41,220)	(40,810)
Audit fees	(5,984)	(2,400)
Depreciation of fixed assets	(5,074)	(7,545)
	<hr/>	<hr/>

8 Trustees' remuneration and expenses

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

The trustees' travelling expenses are reimbursed in respect of expenses incurred on charity business. In the year 6 trustees claimed reimbursement of travelling expenses totalling £2,096 (2017 - 5 trustees claimed £2,325).

9 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	402,724	415,022
Social security costs	30,197	31,982
Pension costs	6,096	2,999
	<hr/>	<hr/>
	439,017	450,003

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:

	2018 No	2017 No
Raising funds	1.0	1.0
Advice services	10.8	11.0
Tax education	0.4	0.4
Support	5.5	5.8
Governance	0.3	0.3
	<hr/>	<hr/>
	18.0	18.5

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 £44,583 (2017 - £38,385).

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

10 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	5,984	2,400

The amount included in the current year audit fees includes £1,984 relating to the previous auditor and £4,000 relating to the current auditor.

11 Taxation

The charity is a registered charity and is therefore exempt from corporation tax on its income.

12 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Call-centre equipment £	Total £
Cost					
At 1 April 2017	10,251	30,305	29,173	17,031	86,760
Additions	-	529	2,954	603	4,086
At 31 March 2018	10,251	30,834	32,127	17,634	90,846
Depreciation					
At 1 April 2017	10,251	27,459	26,597	16,385	80,692
Charge for the year	-	1,995	2,705	373	5,073
At 31 March 2018	10,251	29,454	29,302	16,758	85,765
Net book value					
At 31 March 2018	-	1,380	2,825	876	5,081
At 31 March 2017	-	2,846	2,576	646	6,068

Included within the net book value of land and buildings above is £Nil (2017 - £Nil) in respect of freehold land and buildings and £Nil (2017 - £Nil) in respect of leaseholds.

13 Debtors

	2018 £	2017 £
Trade debtors	12,000	30,301
Prepayments	1,682	1,409
Other debtors	113,096	76,125
	126,778	107,835

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

14 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	111,396	139,042

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	501	-
Other taxation and social security	3,028	25,550
Other creditors	4,853	-
Accruals	6,475	8,845
	14,857	34,395

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 £6,096 (2017 - £2,999).

17 Commitments

Other financial commitments

A service agreement was entered into on 21 March 2018 for a five year period from 1 April 2018 to 31 March 2023 for employment law and HR advice. The total amount contracted for but not provided in the financial statements was £14,875 (2017 - £Nil).

The total amount of future minimum lease payments not provided in the financial statements was £121,151 (2017 - £162,830). Of this amount a total of £32,307 (2017 - £32,307) is payable within less than one year.

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

18 Funds

2018	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 31 March 2018
	£	£	£	£
Unrestricted funds				
<i>General</i>				
General fund	214,175	396,917	(411,757)	199,335
Total Unrestricted funds	214,175	396,917	(411,757)	199,335
Restricted funds				
HM Revenue & Customs	-	340,000	(340,000)	-
Sobell Foundation	750	1,000	(1,750)	-
Woodroffe Benton	500	-	(500)	-
Aviva Life Services Ltd	-	32,650	(32,650)	-
Chartered Institute of Taxation	-	20,000	(20,000)	-
Association of Taxation Technicians	-	6,000	(6,000)	-
CSIS Charity Fund	-	12,050	(6,025)	6,025
Oakdene Foundation	625	2,500	(3,125)	-
Valentine Charitable Trust	2,500	5,500	(5,000)	3,000
Age UK	-	233	(233)	-
Society of Later Life Advisers	-	2,542	(2,542)	-
Age Concern	-	406	(406)	-
Esmée Fairbairn	-	7,500	(3,772)	3,728
Money Advice Service	-	65,921	(49,611)	16,310
Xafinity	-	10,000	(10,000)	-
Total restricted funds	4,375	506,302	(481,614)	29,063
Total funds	218,550	903,219	(893,371)	228,398

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

2017	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Balance at 31 March 2017 £
Unrestricted funds				
<i>General</i>				
General fund	209,915	303,114	(298,854)	214,175
Total unrestricted funds	209,915	303,114	(298,854)	214,175
Restricted funds				
HM Revenue & Customs	-	380,000	(380,000)	-
Sobell Foundation	-	1,000	(250)	750
Woodroffe Benton	-	1,000	(500)	500
Aviva Life Services Ltd	-	52,854	(52,854)	-
Legal & General	-	29,167	(29,167)	-
Chartered Institute of Taxation	-	20,000	(20,000)	-
Association of Taxation Technicians	-	6,000	(6,000)	-
CSIS Charity Fund	3,250	-	(3,250)	-
Mercers' Company	6,755	-	(6,755)	-
Baron Davenport's Charity	750	-	(750)	-
Sir James Knott Trust	1,000	-	(1,000)	-
Oakdene Foundation	625	2,500	(2,500)	625
Pilkington Charities Fund	3,750	-	(3,750)	-
Valentine Charitable Trust	1,250	5,000	(3,750)	2,500
Age UK	-	145	(145)	-
Society of Later Life Advisers	-	745	(745)	-
Age Concern	-	826	(826)	-
Total restricted funds	17,380	499,237	(512,242)	4,375
Total funds	227,295	802,351	(811,096)	218,550

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 Tax Volunteers, that of advising older 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 older people on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through conferences, seminars, training and the Tax Volunteers website.

Tax Volunteers

Notes to the Financial Statements for the Year Ended 31 March 2018

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General		
	£	£	£
Tangible fixed assets	5,081	-	5,081
Net current assets	194,254	29,063	223,317
Total net assets	199,335	29,063	228,398

20 Analysis of net funds

	At 1 April 2017	Cash flow	At 31 March 2018
	£	£	£
Cash at bank and in hand	139,042	(27,646)	111,396
Net debt	139,042	(27,646)	111,396

21 Related party transactions

During the year, salary costs of £89,989 in relation to remuneration payable to the senior management team were recharged from Tax Volunteers Service Company Limited, a related party by virtue of Paul Houston, Jean Jesty and John Whitehead being directors of both companies.

During the year, income totalling £69,000 (2017 - £35,000) was collected by TaxAid UK, a related party by virtue of shared CEO, Gary Millner, on behalf of Tax Help For Older People in connection with the Bridge The Gap fundraising initiative. At the year end, the amount due from TaxAid UK, included in other debtors in the financial statements, was £40,000 (2017 - £35,000).