



TAX VOLUNTEERS

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2013

Registered in England and Wales - Charity Number 1102276 and
Company Number 04894491

Our vision, aims and values

Vision – Our longer term view of the organisation

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

Aims – What we do and intend to do to ensure we achieve our vision

Our aims are to:

- **Help** as many vulnerable and unrepresented 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** for long-term improvements to the tax system and represent the interests of individual clients and the wider client groups to those in authority who have the influence and power to make the changes required to the personal taxation system to meet their needs.
- **Use the experience** and knowledge that we gain through our work to improve tax awareness amongst clients, potential clients and the wider public .
- **To 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 – Our shared principles that form the basis upon which we operate

Our core values are:

Valuing our customers	<i>In all dealings with clients we will demonstrate a caring, compassionate and supportive approach, seeking to understand and respond to their individual needs and to respect the confidentiality of the information they share with us.</i>
Valuing our staff and volunteers	<i>We will manage our resources effectively and responsibly, supporting and developing our staff and making best use of the time given freely by our volunteers.</i>
Honesty and accountability	<i>We will seek to operate with the highest level of integrity in our governance, administrative, advice and outreach work. We will be open and accurate in the reporting of our activities.</i>
Equality and fairness	<i>We will be even-handed and fair in our dealings with all we come into contact with and seek to understand and show respect for all sectors and groups within society. We will offer our services to as many low income clients as our financial resources allow without fear or favour.</i>
Value for money	<i>We will deliver our services in as cost-effective a manner as we can, being mindful when making decisions of the expectations of those who support and fund our work.</i> <i>We will work collaboratively with other advice agencies and tax organisations to maximise the impact of our efforts for the benefit of our respective clients.</i>



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Tax Help for Older People is the service offering of Tax Volunteers for older people on a lower income

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The trustees, who are also the directors of the charity, present their ninth annual report on the affairs of Tax Volunteers for the fifteen months ended 31 March 2013.

Reference and administrative details

Trustees:	Martin Hodgson (Chair) Clive Tulloch (Chair Designate) Leonard Beighton CB Les Shaw David Anderson Annie Bailey (retired 19.01.12) Alison Delorie Asad Muzammal Jean Jesty (appointed 13.12.12)
Patrons:	The Lord Brooke of Alverthorpe Baroness Noakes DBE
Chief Executive:	Graham Sherburn
Operations Director:	Carol Pavely
Development Manager	Jasper Dorgan
Company Secretary:	Jonathan Crump
Registered office:	11-19 Artillery Row, London SW1P 1RT
Operations centre:	Pineapple Business Park, Salway Ash, Bridport, DT6 5DB
Website:	www.taxvol.org.uk
Auditor:	CB Reid Ltd, Wadebridge House, 16 Wadebridge Square, Poundbury, Dorchester DT1 3AQ
Bankers:	HSBC Bank plc, 333 Vauxhall Bridge Road, London SW1V 1EJ CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, ME19 4TA
Registered Charity Number:	1102276
Company Number:	04894491

Chair's Introduction

Annual reports by necessity have to fulfil all of the legal requirements placed upon them. At the same time, we hope that ours also gives you a feel for the service we provide and the difference we can make to the lives of those seeking our help. During 2012 we decided to change our accounting period to run with the government's financial year, rather than the calendar year, and so this report covers a 15-month period.

During the period, demand in terms of client numbers has remained at the high level seen from 2010 onwards. Nevertheless we never turn anyone away who meets our criteria and we still manage to provide the same high standard of client-centred service that we have always aspired to. The more recent strictures of the economic climate have not been kind to Charities generally, and undoubtedly we have had to work harder of late to make the case for funding from Trusts and Foundations in the face of fierce competition. This challenge does, however, bring with it the upside of requiring absolute focus and clarity about our needs and ambitions. We remain fortunate though to retain welcome and increased financial support from HMRC, at a time when both central and local government funding into the third sector has reduced overall.

I stand down as Chair of Tax Volunteers later this year after five years in office and so hope you will indulge me if I also take the opportunity to pause for a little reflection.

The Tax Help for Older People service was born as a pilot project in 2001, following a report issued in 1999 by the Low Income Tax Reform Group (LITRG) establishing that the needs of older lower income tax payers who cannot afford the services of a paid adviser were not being well served by the then Inland Revenue. It was named Tax Volunteers on incorporation because in the early days it did indeed rely entirely on the voluntary input of tax professionals to deliver tax advice to those clients who, often out of desperation, sought our help.

As client numbers grew, so did our recruitment of volunteers and, not surprisingly, a fledgling service emerged that then demanded the time and effort to sustain it that only paid staff could provide. The rest is, as they say, history and over the years we have managed to spread the reach of our service UK wide. You can get a better feel for just how far we have come from the figures contained within these accounts and the report that forms an integral part of them. But to put current performance into context, whereas in, say, 2005 we might take some 600 telephone calls from clients over a ten-week period, we now average that number per week.

For an organisation that didn't become a fully-fledged entity in its own right until 2004, the last five years represents a significant proportion of its history. Not surprisingly, we have seen a great deal of change over that period. The problems associated with the introduction by HMRC of its new National Insurance and PAYE Service (NPS) computer in 2009 are well documented. For us it was the catalyst for a significant upturn in the numbers seeking our help and that increased level of demand has remained with us ever since. We have coped thanks to both staff and volunteer tax advisers, to whom I offer my heart-felt admiration and thanks, but we have needed to marshal additional resources in order to do so and the last five years have seen our turnover, staff numbers and office accommodation all double in size.

There has been something of a sea change too in terms of the relationship generally between HMRC and the tax charities. When I first came into office it was my perception that there was some indifference towards us in parts of HMRC, and that in other parts we may have been viewed as an irritant. We have certainly at times found ourselves at loggerheads over any number of tax and customer service issues faced by those who turned to us for help. It is equally fair to say that this state of affairs has improved remarkably of late. Whether it is the result of a dawning realisation of the need to change in the face of ever-mounting criticism of the poor service offered by HMRC to its 'customers', the influence of a new senior management team within HMRC, or a combination of the two, there does now seem to be a

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new and genuine desire to work more closely with us and to understand and tackle the issues and problems that we continue to highlight. Long may this last. For closer cooperation and understanding can only serve to benefit the interests of the taxpayer. As we occasionally remind ourselves, we share the same mission as HMRC – to ensure that our clients pay the right amount of tax.

The economic gloom which began in 2008 was reflected in our governance thinking at that time, and much of my Chair activity was directed to contingency planning. The glimmerings of recovery and the new relationship with HMRC mean that I end my tenure of the Chair with the ability to look forward optimistically.

Martin Hodgson
Chair

The period in focus

Our core service

Overall, the period as a whole has seen client numbers remain largely constant with a modest 1.3% rise overall in total numbers seeking our assistance in 2012 compared with the previous year. We did however provide significantly more face-to-face advice sessions in tax surgeries or people's own homes, reflecting perhaps the increasing vulnerability of our older client group. Comparative information for the 15-month period as a whole, 2012 and 2011 is set out in the table below.

Number of tax advice sessions	15 month period total	Jan – March 2013	2012	2011
Total	28,350	5,899	22,351	22,079
Phone	21,351	4,544	16,807	16,929
Face- to- face	5,528	871	4,657	4,298
Email & postal	1,371	484	887	852

The key objective is always to ensure that our clients pay the correct amount of tax. Our success here can be seen in the amount of tax refunded or remitted by HMRC, or conversely the underpayments identified for clients to make good. In the period covered by this report, known refunds and remissions received by clients totalled £1.595M, whilst underpayments amounted to some £1.08M. (We say 'known' because in the case of refunds, we do not get to learn of the final figure from a significant proportion of clients we help.)

With the demand, and need, for face-to-face advice sessions increasing year on year we continue to rely heavily on our volunteer tax adviser network to rise to the challenge. During the year we had in place resources that enabled us to better ascertain and record their preferences and capacities. As a result, whilst the inflow of new volunteers continued we also established that some were no longer 'active' and so overall the net total changed little.

Bald statistics however are never sufficient to convey the impact that we as an organisation can have on the lives of those who seek our help. Because most people understand that tax is something they have to pay, but do not understand how it is calculated, for some, receiving a reconciliation statement or demand through the post can be the source of extreme anxiety. This is how just a few of our clients put it to us in their feedback:

"I feel as though a large black cloud has been lifted from my shoulders"

"What was for me a very anxious time was made much easier by the professional way in which you dealt with my problems for me"

"This amazing organisation has restored my peace of mind"

"We could never have done it without your help"

"I would have been lost if I had not been referred to you"

Training and education

Our other key line of activity is to help increase capacity within voluntary sector advice agencies generally to deal with tax issues and to raise tax awareness amongst our client group at large. To this end our regional coordinators and volunteers delivered some 60 tax awareness courses, mainly to local Age UKs, Age Concerns and CABs and gave talks to local groups and interested parties, or attended exhibitions and events targeted at older people on a further 65 occasions.

Influencing others

One of our key aims is to use our experience to advocate for long-term improvements to the tax system. Working with colleagues within HMRC on service improvements is an important part of achieving this and over the past 15 months we have;

- ❖ Been members of a project group within HMRC working to improve its services to those coping with the aftermath of bereavement. So far this has resulted in the introduction of a single point of contact within HMRC for bereaved customers and improvements to the key form used to collect information on the income and tax paid of someone who has died to see if a refund of tax is due
- ❖ Been part of a voluntary sector working party working alongside HMRC to establish an improved service for those taxpayers needing extra help to get their tax right and claim their entitlements. This new service is going to be piloted by HMRC in the North East area from June 2013, including the ability for referral and direct transfer of clients between HMRC and ourselves. We will remain closely involved to monitor as well the impact of the changes before HMRC decide to roll the service out on a UK wide basis.

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Along with LITRG and the professional tax bodies we successfully opposed HMRC's proposals to revise an important Extra-statutory Concession that gives HMRC the discretion not to collect tax arrears when it is responsible for delay causing underpayment or when it has failed to deal properly with information received. This is an important avenue for some of our clients who have been unfairly treated, and whilst the current system is less than perfect, the proposals to replace it tipped the balance too far in HMRC's favour.

Outside of HMRC we contributed to the Office of Tax Simplification's review of pensioners' taxation. This acknowledged that the key recommendations around annual statements of taxable state income and composite PAYE coding notices would not be easy to implement and it is re-assuring at least that they have not been dismissed out of hand. We remain hopeful that improvements will be made in due course.

Our finances

The 15 month period was not an easy one for us financially and overall we suffered a small deficit, eating further into our already reduced reserves. The result is unsurprising given the funding climate and the fact that 2012 saw the full year impact of previous staff appointments and our move into larger premises; both of which were necessary decisions if we were to keep pace with client demand and without letting the quality of our service suffer.

On the funding side, our HMRC grant helped significantly to absorb the cost increases and combined with our targeted fundraising our grant income as a whole increased in the period by £195,000 over that received in the previous 12 months. For the first time we attracted funding from the corporate sector, and 2012 saw the start of what has proved to be a great working partnership with Legal & General. We value their support and enthusiasm for our work. Our partnership with Age UK also continued through to the period end, but sadly Age UK announced that it was no longer in a position to support us financially thereafter. We were particularly pleased to attract funding towards new tax adviser posts from the Esmee Fairbairn Foundation, as this money will be made available to us over a three-year period. But from the smallest donation to the largest grant, from those who fund us regularly to those who make a single contribution we remain indebted to all of our benefactors for their support.

Our future plans

Our broader vision and the aim of helping as many vulnerable and unrepresented people on lower incomes to achieve certainty and peace of mind in their personal tax affairs have not changed. All plans are, of course, largely funding dependant but we hope that we now have sufficient stability through to March 2014 to allow us to concentrate on:

- ❖ Improving our IT and telephony infrastructure to provide a solid platform for remote working and one that can cope with increased service demands.
- ❖ Expanding our regional presence and maximising the potential of our volunteer input.
- ❖ Working with local partners new and old to promote our service and to reach potential clients who are the most vulnerable and isolated.

The organisation in focus

Our structure, governance and management

Tax Volunteers is regulated by the Charity Commission and was constituted in 2003 as a company limited by guarantee not having a share capital. It operates within its Memorandum and Articles of Association and its management is under the control of trustees who meet at least four times each year to deal with trustee business, review financial performance, strategy and risk. There are no sub committees. All trustees give their time freely and derive no benefits from the charity, save re-imbusement of expenses as set out in the notes to the accounts.

New trustees are appointed by the board of trustees for what they can contribute to the charity and training is provided as necessary. Trustees and senior executives regularly review the principal risk areas that might prevent the charity from achieving its charitable objectives. These are documented, prioritised and an assessment made of the extent to which they are and can be mitigated or managed. The principal risk continues to be that the full level of funding needed to cover operating costs will not be forthcoming year on year.

Day-to-day management is delegated to the Chief Executive who meets regularly with senior colleagues throughout the year to deal with operational matters.

Good governance and leadership is essential for the success of the charity and the trustees are committed to following the principles of good governance as set out in the Code for the Voluntary and Community Sector.

Our objectives and activities

Tax Volunteers is established with the purpose of:

- Providing tax advice and related services to those on lower incomes who are unable to afford to pay professional fees
- Carrying out research into the impact of taxation on the poor.
- Publishing the results of that research.
- Educating the public on those and related issues.

To achieve these objects, 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 at our head office in Bridport and by volunteers who are suitably qualified tax advisers working from premises such as public libraries, local Citizens Advice Bureaux, Age Concerns and Age UKs. Tax Volunteers has also established an educational programme which publishes tax advice leaflets and booklets, offers pre-retirement courses and advice agency training and is also available for consultation by HMRC.

How we meet the public benefit requirement

The trustees have considered the guidance published by the Charity Commission and concluded there is no detriment or harm that might arise from carrying out the charity's aims. Our core activity satisfactorily addresses the principles of identifiable public benefit and demonstrates that the charity has fulfilled the public benefit requirement under the Charities Act 2006 by:

- Providing open access to our service for older people who are on lower incomes throughout the UK by telephone through our call centre using our trained staff and in face-to-face meetings using a network of professionally qualified or experienced volunteer tax advisers.

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- Providing educational material and training courses to raise tax awareness amongst our client group, and the staff and volunteer advisers of other advice agencies within the charity and voluntary sectors.
- Helping to relieve poverty by facilitating tax refunds and remissions for our clients, none of whom can afford a tax adviser. Alleviating the distress and anxiety that dealing with personal tax issues can cause an older person, particularly if they are vulnerable or socially isolated, and thereby helping to provide peace of mind and improve their well-being.
- Using the knowledge and experience gained from working with individual clients to contribute to wider policy and administrative improvements in the tax system through our liaison with the professional tax bodies and with HMRC.

Our risk policy

It is Tax Volunteers policy for trustees and senior staff with a detailed knowledge of how the charity operates to:

- Regularly review and document areas of uncertainty throughout the charity;
- Develop mitigation strategies; and
- Take action to mitigate all risks that would otherwise prevent Tax Volunteers from achieving its charitable objectives.

Our reserves policy

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

- Provide financial stability and the means for the development of the charity's principal objects; and
- Retain a sufficient level of net current assets or other readily realisable fixed asset investments to provide a cushion equivalent to three months operating expenditure. In 2012/13 the target for reserves was £130,000 and the actual reserves at 31 March 2013 were £60,754 (31 December 2011 - £73,206).

The trustees consider the current shortfall to be undesirable and will work to reduce it. They do not however consider it to present an unmanageable risk. The overall financial position is kept under regular review.

Our grant making policy

The trustees have power to make grants to Charitable Trusts, Associations and Institutions sharing all or any of the charity's objects. No grants were paid in the year.

Our investment policy

The charity's powers of investment are set out in its Memorandum of Association. These state that the 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 expend 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 strategy document.

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- Regularly review with its investment advisers the performance of longer-term investments.
- Invest liquid assets in short-term low risk investments.

The charity relies on funding which 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 deposit accounts.

Our pension fund

The charity has set up a group stakeholder pension scheme managed by Aegon Scottish Equitable plc. It does not however currently make any contributions to staff pensions.

Our Trustees' Responsibilities

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

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its surplus or deficit for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of Tax Volunteers and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditor.

Our Auditors

C B Reid Ltd has expressed a willingness to continue in office and a resolution for its reappointment will be proposed at the Annual General Meeting on 12 September 2013.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Trustees on 24 June 2013 and signed on their behalf by:

M J Hodgson

Trustee and Chair

TAX VOLUNTEERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAX VOLUNTEERS

We have audited the financial statements of Tax Volunteers for the year ended 31 March 2013 on pages 14–21. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the members of Tax Volunteers, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to Tax Volunteers' members 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 Tax Volunteers and Tax Volunteers' members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also directors of Tax Volunteers for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of Tax Volunteers' affairs as at 31 March 2013 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

TAX VOLUNTEERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAX VOLUNTEERS (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Mr P A Cattermole, ACA
Senior Statutory Auditor
For and on behalf of CB Reid Limited
Chartered Accountants
Statutory Auditors
Dorchester

Date: June 2013

TAX VOLUNTEERS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2013 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Restricted Funds £	Unrestricted Funds £	2013 Total Funds 15 months £	2011 Total Funds 12 months £
INCOMING RESOURCES				
<i>Incoming resources from generated funds:</i>				
Voluntary income				
Donations (Note 1c & 5)	-	39,245	39,245	36,370
Grants (Note 1c & 6)	102,080	502,025	604,105	409,245
Investment income	-	185	185	171
<i>Incoming resources from charitable activities:</i>				
Tax education (Note 7)	-	11,257	11,257	11,327
Total incoming resources	<u>102,080</u>	<u>552,712</u>	<u>654,792</u>	<u>457,113</u>
RESOURCES EXPENDED				
<i>Costs of generating funds:</i>				
Costs of generating voluntary income	-	39,597	39,597	21,853
<i>Charitable activities:</i>				
Tax advice	50,821	479,769	530,590	368,541
Tax education	49,796	23,815	73,611	47,115
<i>Governance: costs</i>	-	23,446	23,446	15,020
Total resources expended (Note 8)	<u>100,617</u>	<u>566,627</u>	<u>667,244</u>	<u>452,529</u>
Net movement in funds = net income / (expenditure) in the year	1,463	(13,915)	(12,452)	4,584
Reconciliation of funds				
Total funds b/fwd at 1 January 2012	<u>26,851</u>	<u>46,355</u>	<u>73,206</u>	<u>68,622</u>
Total funds c/fwd at 31 March 2013	<u>£28,314</u>	<u>£32,440</u>	<u>£60,754</u>	<u>£73,206</u>

All gains and losses arising in the year have been recognised in the Statement of Financial Activities and arise from continuing activities.
The notes on pages 16-21 form part of these financial statements.

Registered Number 4894491

TAX VOLUNTEERS

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	31 March 2013 £	31 December 2011 £
FIXED ASSETS			
Tangible assets	2	<u>28,850</u>	<u>24,622</u>
CURRENT ASSETS			
Debtors	3	8,025	4,989
Cash on short term deposit and at bank		<u>122,267</u>	<u>120,161</u>
		130,292	125,150
CREDITORS			
Amounts falling due within one year	4	<u>(98,388)</u>	<u>(76,566)</u>
NET CURRENT ASSETS		<u>31,904</u>	<u>48,584</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£60,754</u>	<u>£73,206</u>
INCOME FUNDS	13		
Restricted funds		28,314	26,851
Unrestricted funds		<u>32,440</u>	<u>46,355</u>
TOTAL FUNDS		<u>£60,754</u>	<u>£73,206</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the trustees and authorised for issue on 24 June 2013 and signed on their behalf by:

M J Hodgson

Trustee and Chair

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

These financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

a) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 are capitalised at cost. Depreciation on computers and office equipment is calculated to write off the cost of fixed assets over their effective useful lives on a straight-line basis at 25% p.a. Depreciation of leasehold fittings is calculated to write off the cost over the life of the lease from 1 January 2012.

b) Expenditure

Expenditure is recognised when a liability is incurred. Resources expended comprise all expenditure relating to the charitable objectives and are allocated to each activity where the cost relates directly to that activity. Support costs are central administration costs and are allocated across the categories of charitable expenditure and governance costs on the same basis as expenditure incurred directly, but weighted to recognise the charity's prime activity of providing tax advice. Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

c) Grants and donations

Grants and donations receivable 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.

d) Cash flow statement

The charity qualifies as a small company under the requirements of Financial Reporting Standard 1 and therefore does not have to produce a cash flow statement.

e) Leased asset

The operating lease rentals are charged in the Statement of Financial Activities as incurred.

f) Pension scheme

The charity operates a stakeholder pension scheme managed by an independent pension provider.

g) Funds

The charity's restricted funds are to be used for specific purposes as laid down by the donor or where funds have been raised for a specific purpose. Expenditure which meets these criteria is charged to the fund. See note 13 for further details. All other funds are unrestricted as to their use and are available for investment at the discretion of the trustees.

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS (continued)

h) Company status

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. There were 15 members at 31 March 2013.

2. **Tangible fixed assets**

	Leasehold Fittings	Computers	Call-centre Equipment	Office Equipment	Total
	£	£	£	£	£
Cost – 01.01.12	7,698	18,294	11,949	14,303	52,244
Additions	2,553	5,898	2,706	6,171	17,328
Disposals	-	<u>(2,317)</u>	-	-	(2,317)
Cost – 31.03.13	<u>10,251</u>	<u>21,875</u>	<u>14,655</u>	<u>20,474</u>	<u>67,255</u>
Depreciation – 01.01.12	-	12,305	3,406	11,911	27,622
Disposals	-	(2,317)	-	-	(2,317)
Charge for period	<u>2,368</u>	<u>3,705</u>	<u>4,117</u>	<u>2,910</u>	<u>13,100</u>
Depreciation – 31.03.13	<u>2,368</u>	<u>13,693</u>	<u>7,523</u>	<u>14,821</u>	<u>38,405</u>
Net book value – 31.03.13	<u>7,883</u>	<u>8,182</u>	<u>7,132</u>	<u>5,653</u>	<u>£28,850</u>
Net book value – 31.12.11	<u>7,698</u>	<u>5,989</u>	<u>8,543</u>	<u>2,392</u>	<u>£24,622</u>

There were no capital commitments for fixed assets contracted for but not provided for in these financial statements (31.12.11 - £5,257). All tangible fixed assets are held for charitable purposes.

3. **Debtors**

	2013	2011
	£	£
Trade debtors	2,166	-
HM Revenue and Customs – tax recoverable	3,205	3,354
Prepayments and accrued income	1,154	135
Other debtors	1,500	1,500
	<u>£8,025</u>	<u>£4,989</u>

4. **Creditors**

	2013	2011
	£	£
Taxes and Social Security	-	-
Other pension costs	-	-
Accruals and deferred income	98,388	76,566
	<u>£98,388</u>	<u>£76,566</u>

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Donations received

	2013	2011
	£	£
Donations from individuals	35,219	35,326
Donations from organisations	<u>4,026</u>	<u>1,044</u>
	<u>£39,245</u>	<u>£36,370</u>

6. Grants received

	Restricted Funds	Unrestricted Funds	2013 Total Funds	2011 Total Funds
	£	£	£	£
HM Revenue & Customs	-	408,025	408,025	276,175
Age UK	29,780	22,500	52,280	51,180
Legal & General	-	35,000	35,000	-
Esmee Fairbairn Foundation	28,000	-	28,000	-
Civil Service Insurance Society Charity	-	17,500	17,500	5,000
Chartered Institute of Taxation	17,000	-	17,000	22,000
AB Charitable Trust	-	7,500	7,500	7,500
Clothworkers Foundation	5,400	-	5,400	-
Association of Taxation Technicians	5,000	-	5,000	7,000
Tax Advisers Charitable Trust	-	5,000	5,000	4,000
29.05.61 Charitable Trust (HSBC)	-	-	-	5,000
Nationwide	-	-	-	5,000
Summerfield Trust	-	-	-	5,000
Sir James Knott Trust	-	-	-	3,000
Dowager Countess Eleanor Peel	4,000	-	4,000	-
Stafford Trust	3,450	-	3,450	-
Drapers Charitable Trust	2,450	-	2,450	-
Goldsmiths Company	2,500	-	2,500	-
Steel Charitable Trust	2,000	-	2,000	-
Schroder Charity Trust	-	2,000	2,000	-
Edgar E Lawley Foundation	-	3,000	3,000	1,500
Evelyn May Trust	-	-	-	2,500
Sobell Foundation	-	-	-	3,000
Garfield Weston Trust	-	-	-	2,500
Tindle Family Charity	-	1,000	1,000	-
Souter Charitable Trust	2,000	-	2,000	-
Coutts Charitable Trust	-	500	500	-
Other supporters	<u>500</u>	-	<u>500</u>	<u>8,890</u>
	<u>£102,080</u>	<u>£502,025</u>	<u>£604,105</u>	<u>409,245</u>

7. Incoming resources from charitable activities

	2013	2011
	£	£
Tax Education:		
Society of Later Life Advisers	3,108	1,277
Legal & General	3,800	-
Age UK	2,010	9,011
Sundry income	<u>2,339</u>	<u>1,039</u>
	<u>£11,257</u>	<u>£11,327</u>

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Analysis of total resources expended

See Note 1 (b)						2013	2011
	Fundraising	Tax advice	Tax education	Governance	Support costs	15 months	12 months
	£	£	£	£	£	£	£
Staff costs	25,269	214,082	17,850	9,901	206,649	473,751	327,552
Depreciation	-	-	-	-	13,100	13,100	5,780
Telephone	-	-	-	-	9,769	9,769	5,987
Postage and stationery	-	-	9,948	-	13,774	23,722	19,843
Advertising	-	-	-	-	787	787	3,456
Legal and professional fees	-	-	-	-	1,575	1,575	603
Volunteer expenses	-	31,449	-	-	-	31,449	18,976
Rent & rates	-	-	-	-	54,874	54,874	25,163
Bank charges	-	-	-	-	739	739	677
Audit	-	-	-	1,800	-	1,800	1,395
Insurance	-	-	-	-	2,354	2,354	1,482
Repairs & maintenance	-	-	-	-	2,039	2,039	433
Staff travel & training	1,642	22,288	6,948	1,728	13,206	45,812	33,866
Computer costs	-	-	-	-	3,527	3,527	3,798
Sundry	-	-	-	-	1,946	1,946	3,518
	26,911	267,819	34,746	13,429	324,339	667,244	452,529
Apportionment of support costs							
Staff	10,332	183,919	8,266	4,132	(206,649)		
Operating costs	2,354	78,852	30,599	5,885	(117,690)		
TOTAL RESOURCES EXPENDED	£39,597	£530,590	£73,611	£23,446	£ 0	£667,244	£452,529

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Personnel

At 31 March 2013 there were 4 full-time and 26 part-time members of staff. The average number of employees in the year was 16.2 full-time equivalents (2011 – 11.7 full-time equivalents).

All employees work predominantly in tax advice services apart from one fundraiser and no employee earned more than £60,000 during the year.

Staff costs were as follows:

	2013	2011
	15 months	12 months
	£	£
Salaries	445,587	307,440
Social Security	27,164	19,112
Other pension costs	1,000	1,000
	<u>£473,751</u>	<u>£ 327,552</u>

The charity maintained liability insurance throughout the year to pay on behalf of the charity, trustees, volunteers and staff, any claims for wrongful acts arising out of the conduct of the charity's business or committed in their capacity as officers.

10. Trustees

The trustees receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on charity business. In the 15 months, 3 trustees claimed reimbursement of travelling expenses aggregating to £3,077 (In the year ended 31.12.11 – 5 trustees claimed £3,950).

11. Commitments under operating leases

The Charity has annual commitments under an operating lease as follows:

	2013	2011
	£	£
Leasehold property expiring 1 January 2017	<u>30,000</u>	<u>30,000</u>

12. Taxation

All income and gains are exempt from taxation and have been or will be applied for charitable purposes.

TAX VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Income funds

	Balance at 1 January 2012 £	Incoming resources £	Resources expended £	Balance at 31 March 2013 £
Restricted funds				
Age UK	20,016	29,780	(49,796)	-
Esme Fairbairn Foundation	-	28,000	(9,000)	19,000
Chartered Inst. Taxation	-	17,000	(17,000)	-
Assn. Taxation Technicians	-	5,000	(5,000)	-
Clothworkers Foundation	-	5,400	(5,400)	-
Countess Eleanor Peel	-	4,000	(3,000)	1,000
Stafford Trust	-	3,450	(1,724)	1,726
Summerfield Trust	2,500	-	(2,500)	-
Sir James Knott Trust	750	-	(750)	-
Goldsmiths Company	-	2,500	(625)	1,875
Drapers Charitable Trust	-	2,450	(612)	1,838
Steel Charitable Trust	-	2,000	(500)	1,500
Other supporters	<u>3,585</u>	<u>2,500</u>	<u>(4,710)</u>	<u>1,375</u>
	26,851	102,080	(100,617)	28,314
Unrestricted funds				
General fund	<u>46,355</u>	<u>552,712</u>	<u>(566,627)</u>	<u>32,440</u>
Total funds	<u>£73,206</u>	<u>£654,792</u>	<u>£(667,244)</u>	<u>£60,754</u>

Restricted funds

Age UK – to develop links between the two charities and enhance delivery of tax advice services to older people in UK.

Esme Fairbairn Foundation – additional part-time tax advisers

Chartered Institute of Taxation – website development

Association of Taxation Technicians – update volunteer training material

Clothworkers Foundation – office equipment

Dowager Countess Eleanor Peel – service development

Stafford Trust – costs of work in Scotland

Summerfield Trust – tax advice services in Gloucestershire

Sir James Knott Trust – advice services in Tyne & Wear, Northumberland and Co. Durham

Goldsmiths Company – volunteer support in London

Drapers Charitable Trust – volunteer support in London

Steel Charitable Trust – volunteer network support in the Midlands area

Other supporters - grants of £1,000 or less to provide help within specific regions of the UK.

Unrestricted Funds

All unrestricted grants have been made to provide core funding for maintenance, expansion and improvement in the provision of tax advice and related services for those who are unable to afford professional fees and in particular, older people.