TaxWatch

Report and Unaudited Financial Statements

31 March 2021
TaxWatch

Reference and administrative details

For the year ended 31 March 2021

Company number 11609849
Charity number 1189585 Registered 20 May 2020
Registered office 38 Coney Street
York
North Yorkshire
YO1 9ND

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Julian Richer Chair
Ana Arendar
Richard Brooks
Jennifer Herrera
Damien Morrison
James Timpson
George Turner Resigned 19 May 2020, on charity registration

Executive director George Turner

Company secretary Damien Morrison

Bankers Barclays Bank
Leicester
LE87 2BB

Solicitors Bates Wells & Braithwaite
10 Queen Street Place
London
EC4R 1BE

Independent examiners Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD
TaxWatch

Report of the trustees

For the year ended 31 March 2021

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Summary and introduction
This is TaxWatch's second annual report, covering the 12 month period from April 2020 to our year end in March 2021. This is our first annual report as a charity.

It has been a busy year, our groundbreaking research has raised new important issues in tax, and we have seen continued success in gaining media attention for our publications, all of which has built the organisation's public standing considerably.

This was recognised in February 2021 when it was announced that TaxWatch has been named as one of the most influential 50 organisations, people, or events of 2020 in International Tax Review's annual Global 50 list. Having formally launched the organisation just two years earlier, we were all incredibly proud of this achievement.

Our increasing public profile has allowed us to engage positively with politicians, government officials and business representatives at a senior level. TaxWatch is now recognised as an important, independent and authoritative voice on tax issues.

Organisational development
Over the past 12 months TaxWatch has expanded, taking on a new member of staff in December 2020 in the form of our Tax Law Adviser, Dr Osita Mba. Osita's main focus is our new Tax and the Rule of Law project, which is backed by the Joffe Trust. The Trust has pledged £25,000 a year to support this project over the next two years. This project will launch early in the 2021-2022 year, and the intent of this is to:

- Make public interest interventions in ongoing legal cases;
- Hold HMRC to account on tax compliance; and
- Hold regulators to account on the enforcement of professional standards in the tax industry.

In April 2020 we signed the Armed Forces Covenant, an initiative that commends employers who actively support the Armed Forces community in their workplace and encourages others to follow their lead.

In May 2020 TaxWatch officially registered as a charity (charity number 1189585). As part of this process the company adopted new Articles of Association, which aligned the legal objects of the company with our charitable purpose.

The objects adopted were as follows:

- To advance education, in particular in relation to tax law and the operation of the tax system;
- To promote the sound administration of the law, in particular the law of taxation;
- To promote compliance with the law, in particular the law of taxation; and
- To promote civic responsibility and good citizenship by promoting and encouraging high standards of business conduct, in particular in relation to compliance with the spirit of the law of taxation.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

The trustees confirm that they have referred to the Charity Commission’s general guidance on public benefit when reviewing the Charity’s aims and objectives.

Our governing document is available at the Charity Commission website.

As a result of Covid-19 restrictions, we have transitioned fully to a work-from-home organisation, and have given up our office space in Reading. This shift has not affected our work capacity. Our registered office address is: TaxWatch, 38 Coney Street, York, YO1 9ND.

Our directors and editorial committee
As TaxWatch became a charity, our directors became trustees. George Turner resigned from the board in advance of the organisation receiving charitable status, and became Executive Director, responsible for the day to day management of TaxWatch.

The trustees continue to play an active role in the organisation, providing input and advice on fundraising, staffing, and long-term strategy. The Chair of Trustees is responsible for setting the pay of management.

The editorial committee remains independent from the board, ensuring that funders are not influencing the editorial content of TaxWatch. It also allows for more oversight of editorial matters that may exist in other organisations where all decisions are delegated to the staff, and TaxWatch greatly benefits from the wealth of experience of those sitting on the editorial committee.

Staff
Executive Director - George Turner
George Turner is the Executive Director of TaxWatch. Before setting up TaxWatch George worked as a journalist and has led multiple investigations that have appeared on the front pages of newspapers across the world.

George first became interested in tax policy when he wrote a paper for the think tank Centre Forum in 2013, which revealed how the UK’s private equity owned water companies structured their finances to minimise corporation tax payments.

Before becoming an investigative journalist George was head of the Westminster office of the Deputy Leader of the Liberal Democrats, Simon Hughes.

Researcher – Alex Dunnagan
Alex Dunnagan is an accredited criminal investigator and military intelligence analyst. He previously worked at the National Crime Agency, investigating human trafficking, child exploitation, and political corruption.

Prior to joining TaxWatch, Alex worked at a private intelligence company leading a team of analysts providing security reporting to multi-national corporations.

Alex is currently serving as a Reservist with the British Army.

Communications – Paul Hebden
Paul Hebden works part-time providing communications and research support to TaxWatch. He has a background in strategic communications and campaigning. Before joining TaxWatch Paul worked for a number of NGOs, charities, and as a journalist.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

Tax Law Adviser- Osita Mba
Dr Osita Mba is a Barrister and Solicitor in Nigeria and a Solicitor Advocate in England and Wales. He is also a Chartered Tax Adviser and a Fellow of the Chartered Institute of Taxation. He was a lawyer for Her Majesty’s Revenue & Customs (HMRC) from 2007 to 2013. In 2014, he was awarded the Middlesex University UK Whistleblowing Award “in recognition of his part in exposing a tax settlement between HRMC and Goldman Sachs.”

Osita’s doctoral research, entitled “Cheating the Public Revenue: The Nature and Meaning of ‘Tax Avoidance’ and ‘Tax Evasion’ in English Law”, explores the meaning of ‘tax avoidance’ and ‘tax evasion’ in law using Common Law principles used in all jurisdictions. It challenges the dogma that “tax evasion is illegal but tax avoidance is legal”, which is accepted as an article of faith in domestic and international taxation, and argues that tax avoidance and tax evasion are different forms of cheating the public revenue under the Common Law, which corresponds to tax fraud in all jurisdictions.

Trustees
TaxWatch has 6 trustees, who have been recruited on the basis of their experience and the contribution they bring to the organisation.

Richard Brooks
Richard Brooks is an award winning investigative journalist with Private Eye magazine and a former tax inspector. He chairs TaxWatch’s editorial committee.

Richard is the author of “The Great British Tax Robbery: How Britain became a Tax Haven for Fat Cats and Big Business” (Oneworld, 2013). His latest book – Bean Counters (Atlantic, 2018) is an exposé of the accountancy profession, including its instrumental role in tax avoidance.

Julian Richer – Chair of Trustees
Julian Richer is a highly respected entrepreneur and philanthropist. The founder of Richer Sounds, the UK’s largest Hi-Fi retailer, Julian opened his first shop aged just 19. The company has paid the real living wage to all employees since 2014, and gives 15% of its operating profit to charity every year. Richer Sounds has also been awarded a fair tax mark accreditation.


Damien Morrison
Damien Morrison is a partner in Morrison and Associates Solicitors, and has specialised in criminal law. He regularly practises as a Higher Court Advocate.

Damien is the Company Secretary of TaxWatch.

Ana Caistor Arendar
Ana is Campaigns Lead at Progressive International. She was previously Head of Inequality Campaigns and Policy at Oxfam GB. Before that Ana worked as Oxfam’s Campaigns, Policy and Communications Manager for Latin America and the Caribbean based in Mexico and Bolivia and Oxfam’s Campaigns and Policy Manager in Haiti, where she worked on the humanitarian responses following the 2010 earthquake and the cholera outbreak later that year.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

James Timpson
James Timpson is the CEO of Timpson the UK’s largest retail chain with over 2,000 outlets across the UK.

James is also the chair of the Prison Reform Trust and a trustee of the Tate Galleries.

Jennifer Herrera
Jennifer Herrera is the CEO of the Good Business Foundation which runs an accreditation to recognise responsible business, called the Good Business Charter. She is also Executive Director of Acts 435, a charity established to encourage small donations online to people in need.

Jennifer is a chartered accountant and a trustee of ASB Help, a charity supporting victims of antisocial behaviour and Love 146, a charity supporting trafficked children.

The Editorial Committee

Richard Brooks – Chair
George Turner - Executive Director

Simon Bowers
Simon Bowers is Investigations Editor at Finance Uncovered, a journalism non-profit that trains, supports and collaborates with reporters working on financial investigations around the world. Previously, he spent four years as European Coordinator at the International Consortium of Investigative Journalists (ICIJ), a non-profit group that organises global collaborative journalism projects.


He has appeared in, or contributed to, documentaries for Vice News, BBC Panorama, YLE, and Reveal News. He has also given a TEDx talk on a collaborative investigation into Nike’s pan-European tax avoidance activities. He has been part of collaborative reporting teams that have won several awards, including three George Polk awards for Financial Journalism (Panama Papers, Paradise Papers, LuxLeaks) and a Pulitzer Prize for Explanatory Reporting (Panama Papers).

Felicity Lawrence
Felicity Lawrence is an investigative journalist and special correspondent with the Guardian. She has done pioneering work on corporate tax avoidance, responsible for some of the first work on the issue in a mainstream newspaper ten years ago. Since then she has done groundbreaking investigations on the food supply, and is author of Not On The Label: What Really Goes Into The Food On Your Plate.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

Other relevant organisations

Barclays Bank
Provides banking services.
1 Churchill Place, London, E14 5HP.

Richer Sounds
Home entertainment retailer: Richer Sounds provides payroll services to TaxWatch.
Richer Sounds Ltd, Hankey Place, London, SE1 4BB.

Godfrey Wilson
Godfrey Wilson provide accounting services to TaxWatch, including the preparation of annual financial statements.
Godfrey Wilson Limited, 5th Floor, Mariner House, 62 Prince Street, Bristol, BS1 4QD.

Bates and Wells
Advises TaxWatch on charity law.
10 Queen St Place, London, EC4R 1BE.

Reviewed and Cleared
Provides pre-publication advice on media law.
9th Floor, The Met Building, 22 Percy St, London, W1T 2BU.

Bindmans LLP
Advises TaxWatch on media law.
236 Grays Inn Rd, London, WC1X 8HB.

Our research and publications
TaxWatch’s main activities have been the publication of research, briefings and commentary on various issues related to the tax system. A summary of our research is below.

Creative sector tax reliefs
Following on from our research into Video Games Tax Relief, we turned our attention to films. We revealed that the UK companies behind the James Bond films have minimised tax for decades whilst receiving tens of millions of pounds in subsidy from the UK taxpayer.

Fraud
A major theme in TaxWatch research over the past year has been tax fraud. In particular, we have focused on highlighting the fraudulent nature of many tax avoidance schemes, work which is very much in the public interest if we are to encourage people to not get involved in such schemes.

In an open letter, we called on the Economic Crime Unit of the City of London Police to open a fraud investigation into the promoters and marketers of disguised remuneration tax avoidance schemes, after uncovering evidence that people were being misled into joining the schemes.

We also submitted evidence to HMRC calling for those who sell disguised remuneration schemes to be investigated for fraud. Our Executive Director also gave evidence to the Finance Bill Sub-Committee of the House of Lords on fraud and disguised remuneration, and also presented on fraud to the Financial Services Tax Conference 2020.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

We released a report revealing the serious allegations of fraud being levelled against a major US corporation, General Electric, by HMRC. This report highlighted how GE moved $5bn around the world in a matter of days, as part of a complex “hybrid arbitrage” tax avoidance scheme, that allegedly generated a tax benefit for GE in the UK of up to £760m over a period of 10 years.

Covid-19
The UK government has pumped billions of pounds into the economy in order to combat the economic and social impacts of the Covid pandemic. Given the speed at which this was implemented, the possibility of abuse of the system, as well as a misallocation of support presented a significant risk to public funds.

TaxWatch has sought to monitor the provision of government aid, highlighting policy issues of public interest. In our work on business rates relief, published in 2020-2021, we highlighted the fact that supermarkets were a major beneficiary of government support, whilst being one of the few retail businesses able to remain open during the national lockdown.

When the Bank of England published a list of 53 companies receiving Covid-19 CCFF loans, we calculated that over 29% of the loans were given to companies with links to tax havens. We also revealed that The Bank of England had loaned £325 million to cruise ship companies despite the United States Government excluding the industry from its financial assistance programme due to its links to offshore tax havens.

We have published an article looking at the history of excess profits taxes, which have in the past been used to combat profiteering during crises.

Looking at the tax behaviour of companies receiving government bailouts, we published research arguing that governments that wish to restrict bailouts going to tax avoiders should insist that companies sign up to new rules on their tax behaviour.

Lobby groups have used the pandemic as an excuse to attempt to delay legislation. We have reported on financial services lobbyists requesting the EU delay anti-tax avoidance measures, and tech giants lobbying for a delay in the UK’s digital services tax.

While tech companies have donated to various pandemic related causes, we calculated that the amount of cash donated by these tech giants accounts for just 0.22% of the total amount of profits they had accumulated in tax havens by the end of 2017.

Tax compliance
In a report we asked whether the current metrics used by HMRC are sufficiently robust to allow Parliament and other interested parties to hold the government to account on the issue of tax avoidance. This report was presented in December 2020 to The Tax Administration Research Centre at the University of Exeter Business School.

In ‘Equality before the law?’ we revealed the huge disparity between the way in which benefits crime is treated in the UK when compared to tax crime, finding that between 2009 and 2019 the UK prosecuted 23 times more people for benefits offences than tax offences - despite the value of tax fraud being nine times higher than benefits fraud.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

Other issues
We have also provided research responding to current events, including: a briefing paper on Free Ports which was cited in Parliament, a briefing paper on Corporation Tax which was featured in both print and broadcast media, research into the 'super deduction'.

We looked at plans for the UK to make online marketplaces such as Amazon and eBay liable to collect VAT on behalf of their sellers, and published an article explaining Amazon’s tax structure in the UK.

On gambling, we questioned whether bet365 is generating hundreds of millions of pounds in revenue from unregulated markets and processing these funds through low-tax jurisdictions.

We also revealed that up to £1.73 billion a year in tax is being dodged by unscrupulous landlords, while making suggestions as to how best to combat this.

We published a study that showed that large technology companies have historically paid more than four times as much tax on their US profits than on profits made in the rest of the world.

The use of TaxWatch research
All of this activity has led to significant impact. Notably, we were the first to raise the issue of how supermarkets were set to be one of the big winners from the business rates holiday announced by the Treasury in response to Covid-19. This story gained traction, with the issue being raised a number of times over the Summer. In the Autumn, several major supermarkets decided to voluntarily pay the business rates that should have been due were it not for the holiday, resulting in several billion pounds being returned to the Treasury.

In late 2020, it was announced that Netflix would start to bill customers from the UK and no longer bill subscriptions from the Netherlands. Although this was part of a wider restructuring on the part of Netflix, TaxWatch undoubtedly played a role in this announcement as we were the first to put a spotlight on how Netflix’s tax structure worked, and our research led to significant Parliamentary scrutiny of Netflix’s offshore billing structure.

We have taken part in a number of events and debates. TaxWatch was invited to present our work to the CBI tax committee and a panel discussion at a Financial Services Conference where TaxWatch was invited to speak alongside HMRC’s Chief Investigations Officer Simon York and Head of the Fraud Investigation Service of the Canadian Revenue Service Eric Ferron. TaxWatch also received an invitation from the All Party Parliamentary Group on Responsible Tax to speak on a panel with the Financial Secretary to the Treasury, Rt Hon Jesse Norman MP.

In July TaxWatch took part in a consultation with Cabinet Office advisor Richard Collier-Keywood and Naire Woods of the Oxford Business School, who are working on the Building Back Better agenda for the Government.

We were invited to brief the members of the Public Accounts Committee as part of their ongoing investigation into subsidies administered through the tax credit system. We presented our findings on Creative Industry Tax Reliefs.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

We submitted evidence to three parliamentary inquiries over this period:
1. Treasury Evidence Select Committee – Tax After the Coronavirus;
2. HMRC – Tackling Disguised Remuneration Tax Avoidance; and

Following our submission to the Lords Finance Bill Sub-Committee, TaxWatch was invited to give oral evidence to Sub-Committee. This was broadcast live on parliament.uk. Our evidence was reflected in the recommendations made by the committee on the subject of the promotion of tax avoidance schemes. In particular the committee recommended that HMRC should open criminal investigations in to former promoters of tax avoidance schemes, which was an issue we had raised in our written and oral evidence.

The Public Accounts Committee held a short inquiry into the Tax Gap. In advance of this we provided a briefing to all members of the PAC setting out the issues with regards to how the UK calculates its tax gap liability.

TaxWatch now regularly meets with officers of the All Party Group on Responsible Tax. TaxWatch has met, briefed, and built relationships with a number of MPs including from both sides of the house.

TaxWatch published 3 op-eds, 4 briefing papers, 7 investigative reports, and 28 blog posts in the 12 months to 31 March 2021. Over the previous year we have logged 138 articles citing TaxWatch. This includes some very high quality coverage. Our story on allegations of tax fraud levelled against General Electric was the front page feature on the FT website for an entire day. Our publication on James Bond was on the front page of the Financial Mail on Sunday and the whole of page three of the Observer. Our research was cited on ITV’s News at 10 in their coverage of the budget.

In terms of interacting with the public, our newsletter mailing list has grown to over 1,000 sign ups, our website has seen over 85,000 hits, and our Twitter profile has garnered 1,147,100 ‘impressions’.

Some of our older reports, and in particular our research on tax avoidance in the tech industry, still continues to be cited in the media, which demonstrates the long term value of our work. Journalists now frequently seek comment and advice from TaxWatch, demonstrating that we have become a trusted and authoritative voice on tax. This shows a growing ‘brand’ reputation.

Financial review
The Persula Foundation, a charitable foundation established by Julian Richer, has been the main source of funds for the organisation since its foundation. The organisation has also received generous donations from Joseph Schull, The Joffe Charitable Trust and James Timpson.

All of our donors are committed to multi-year funding, and the vast majority of our funding is unrestricted. The grant from the Joffe is to be used to fund our tax and the Rule of Law Project. In this year TaxWatch also received one small payment for research undertaken on behalf of Transparency International.

Broadening our donor base is a priority for TaxWatch. TaxWatch had planned a fundraising event for March 2020, which sadly had to be cancelled due to the Covid-19 pandemic.
TaxWatch

Report of the trustees

For the year ended 31 March 2021

As a small organisation operating remotely, TaxWatch does not have many fixed costs or liabilities other than payroll. Office space is rented on a month to month basis from providers of shared spaces. Given this, until now the trustees have not felt it necessary to have a reserves policy. However they will look to build a reserve covering 3 months of payroll costs over the following year.

Plans for future periods
Over the following year TaxWatch will continue to research areas of public interest in the field of taxation. The next year will be a particularly important year for international taxation, with the OECD continuing negotiations on a major reform of the taxation of large multinational companies.

We will also be seeking to develop new areas of work in terms of tax compliance, making public interest interventions in ongoing tax cases, researching tax compliance, and holding regulators to account on professional standards.

TaxWatch is a research led organisation, and this will remain our main area of focus. The intent is to continue publishing independent, authoritative and accurate information on tax in the public interest.

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 charity will continue in operation.

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

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

Report of the trustees

For the year ended 31 March 2021

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners
Godfrey Wilson Limited were appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 15 December 2021 and signed on their behalf by

Jennifer Herrera - Treasurer
Independent examiner’s report

To the trustees of

TaxWatch

I report to the trustees on my examination of the accounts of TaxWatch (the charitable company) for the year ended 31 March 2021, which are set out on pages 13 to 22.

Responsibilities and basis of report
As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (‘the 2006 Act’).

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company’s accounts as carried out under section 145 of the Charities Act 2011 (‘the 2011 Act’). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner’s statement
I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:
(1) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
(2) the accounts do not accord with those records; or
(3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a ‘true and fair view’ which is not a matter considered as part of an independent examination; or
(4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no other concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

William Guy Blake

Date: 15 December 2021
William Guy Blake ACA
Member of the ICAEW
For and on behalf of:
Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD
**TaxWatch**

**Statement of financial activities (incorporating an income and expenditure account)**

For the year ended 31 March 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>Restricted</th>
<th>Unrestricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Income from:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and legacies 2</td>
<td>25,000</td>
<td>110,000</td>
<td>135,000</td>
<td>175,000</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>-</td>
<td>3,574</td>
<td>3,574</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>25,000</td>
<td>113,574</td>
<td>138,574</td>
<td>175,000</td>
</tr>
<tr>
<td><strong>Expenditure on:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>-</td>
<td>6,644</td>
<td>6,644</td>
<td>6,982</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>20,750</td>
<td>108,913</td>
<td>129,663</td>
<td>160,852</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>20,750</td>
<td>115,557</td>
<td>136,307</td>
<td>167,834</td>
</tr>
<tr>
<td><strong>Net income / (expenditure) and net movement in funds</strong></td>
<td>4,250</td>
<td>(1,983)</td>
<td>2,267</td>
<td>7,166</td>
</tr>
<tr>
<td><strong>Reconciliation of funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds brought forward</td>
<td>-</td>
<td>7,166</td>
<td>7,166</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total funds carried forward</strong></td>
<td>4,250</td>
<td>5,183</td>
<td>9,433</td>
<td>7,166</td>
</tr>
</tbody>
</table>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All income and expenditure in the prior period was unrestricted.

The prior period has been restated to gross up income and expenditure. This has no net effect on funds. See note 14 for detail.
Balance sheet

As at 31 March 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>556</td>
<td>223</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>3,550</td>
<td>5,800</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>27,811</td>
<td>16,195</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,361</td>
<td>21,995</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within 1 year</td>
<td>(22,484)</td>
<td>(15,052)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>8,877</td>
<td>6,943</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>9,433</td>
<td>7,166</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>4,250</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>5,183</td>
<td>7,166</td>
</tr>
<tr>
<td><strong>Total charity funds</strong></td>
<td>9,433</td>
<td>7,166</td>
</tr>
</tbody>
</table>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:
(i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act; and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 15 December 2021 and signed on their behalf by

Jennifer Herrera - Treasurer
TaxWatch

Notes to the financial statements

For the year ended 31 March 2021

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

      TaxWatch 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 note.

   b) Going concern basis of accounting
      The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees acknowledge that the charity’s unrestricted reserves are in a net liabilities position at 31 March 2021. However, the charity has received further unrestricted funding since year end, and expects to be able to continue to rely on support from its founders for at least 12 months from the date of signing. For these reasons the trustees consider it appropriate to adopt the going concern basis for the preparation of the accounts.

   c) Income
      Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

   d) Donated services and facilities
      Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

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

   e) Interest receivable
      Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.
1. Accounting policies (continued)
   
f) Expenditure and irrecoverable VAT
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.


g) Allocation of support and governance costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity’s activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td>4.9%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>95.1%</td>
<td>95.8%</td>
</tr>
</tbody>
</table>

h) Tangible fixed assets
Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

   Computer equipment 3 years straight line

Items of equipment are capitalised where the purchase price exceeds £250.

i) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
TaxWatch

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)
   l) Financial instruments
   The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

m) Pension costs
   The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

n) Accounting estimates and key judgements
   In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

   The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

   There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

2. Income from donations

<table>
<thead>
<tr>
<th></th>
<th>Restricted</th>
<th>Unrestricted</th>
<th>Total</th>
<th>Restated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td></td>
</tr>
<tr>
<td>Joffe Charitable Trust</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Persula Foundation</td>
<td>-</td>
<td>60,000</td>
<td>60,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Richer Sounds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,000</td>
</tr>
<tr>
<td>CAF American Donor Fund</td>
<td>-</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>James Timpson</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total income from donations</strong></td>
<td><strong>25,000</strong></td>
<td><strong>110,000</strong></td>
<td><strong>135,000</strong></td>
<td><strong>175,000</strong></td>
</tr>
</tbody>
</table>

All income in the prior year was unrestricted.

3. Government grants
   The charitable company receives no government grants to fund charitable activities.
### 4. Total expenditure

<table>
<thead>
<tr>
<th></th>
<th>Raising funds</th>
<th>Charitable activities</th>
<th>Support and governance costs</th>
<th>Year ended 31 March 2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs (note 6)</td>
<td>5,558</td>
<td>100,052</td>
<td>5,558</td>
<td>111,168</td>
</tr>
<tr>
<td>Legal fees</td>
<td>-</td>
<td>5,226</td>
<td>1,295</td>
<td>6,521</td>
</tr>
<tr>
<td>Editorial and research</td>
<td>-</td>
<td>3,182</td>
<td>-</td>
<td>3,182</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
<td>-</td>
<td>505</td>
<td>505</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>13,116</td>
<td>13,116</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>152</td>
<td>152</td>
</tr>
<tr>
<td>Accountancy</td>
<td>-</td>
<td>-</td>
<td>1,608</td>
<td>1,608</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>-</td>
<td>-</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>5,558</td>
<td>108,460</td>
<td>22,289</td>
<td>136,307</td>
</tr>
<tr>
<td>Allocation of support and governance costs</td>
<td>1,086</td>
<td>21,203</td>
<td>(22,289)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>6,644</strong></td>
<td><strong>129,663</strong></td>
<td>-</td>
<td><strong>136,307</strong></td>
</tr>
</tbody>
</table>

Total governance costs were £1,680.

### Prior period comparative

<table>
<thead>
<tr>
<th></th>
<th>Raising funds</th>
<th>Charitable activities</th>
<th>Support and governance costs</th>
<th>Restated 18 months to 31 March 2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs (note 6)</td>
<td>5,135</td>
<td>92,431</td>
<td>5,135</td>
<td>102,701</td>
</tr>
<tr>
<td>Legal fees</td>
<td>-</td>
<td>5,412</td>
<td>7,290</td>
<td>12,702</td>
</tr>
<tr>
<td>Editorial and research</td>
<td>-</td>
<td>20,451</td>
<td>-</td>
<td>20,451</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
<td>-</td>
<td>5,213</td>
<td>5,213</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>18,851</td>
<td>18,851</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Accountancy</td>
<td>-</td>
<td>-</td>
<td>4,800</td>
<td>4,800</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>-</td>
<td>-</td>
<td>3,004</td>
<td>3,004</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>5,135</td>
<td>118,294</td>
<td>44,405</td>
<td>167,834</td>
</tr>
<tr>
<td>Allocation of support and governance costs</td>
<td>1,847</td>
<td>42,558</td>
<td>(44,405)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>6,982</strong></td>
<td><strong>160,852</strong></td>
<td>-</td>
<td><strong>167,834</strong></td>
</tr>
</tbody>
</table>

Total governance costs were £1,000.
5. **Net movement in funds**
   This is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>18 months to 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Depreciation</td>
<td>152</td>
<td>112</td>
</tr>
<tr>
<td>Trustees' remuneration (note 13)</td>
<td>2,641</td>
<td>9,224</td>
</tr>
<tr>
<td>Trustees' reimbursed expenses</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Independent examiners' remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Independent examination</td>
<td>1,680</td>
<td>-</td>
</tr>
</tbody>
</table>

6. **Staff costs and numbers**
   Staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>18 months to 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>101,984</td>
<td>72,334</td>
</tr>
<tr>
<td>Social security costs</td>
<td>5,497</td>
<td>4,322</td>
</tr>
<tr>
<td>Pension costs</td>
<td>3,687</td>
<td>2,432</td>
</tr>
<tr>
<td>Freelancers</td>
<td>-</td>
<td>23,613</td>
</tr>
<tr>
<td></td>
<td>111,168</td>
<td>102,701</td>
</tr>
</tbody>
</table>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the trustees and Executive Director. The total employee benefits of the key management personnel were £57,023 (2020: £51,400).

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Average head count</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. **Taxation**
   The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.
8. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Computer equipment £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2020</td>
<td>335</td>
</tr>
<tr>
<td>Additions in year</td>
<td>485</td>
</tr>
<tr>
<td><strong>At 31 March 2021</strong></td>
<td><strong>820</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2020</td>
<td>112</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>152</td>
</tr>
<tr>
<td><strong>At 31 March 2021</strong></td>
<td><strong>264</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2021</td>
<td><strong>556</strong></td>
</tr>
<tr>
<td>At 31 March 2020</td>
<td><strong>223</strong></td>
</tr>
</tbody>
</table>

9. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>3,550</td>
<td>5,800</td>
</tr>
</tbody>
</table>

10. Creditors: amounts due within 1 year

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>965</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>21,519</td>
<td>15,052</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,484</strong></td>
<td><strong>15,052</strong></td>
</tr>
</tbody>
</table>
Notes to the financial statements

For the year ended 31 March 2021

11. Analysis of net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Restricted funds</th>
<th>Unrestricted funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>-</td>
<td>556</td>
<td>556</td>
</tr>
<tr>
<td>Current assets</td>
<td>4,719</td>
<td>26,642</td>
<td>31,361</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(469)</td>
<td>(22,015)</td>
<td>(22,484)</td>
</tr>
<tr>
<td><strong>Net assets at 31 March 2021</strong></td>
<td><strong>4,250</strong></td>
<td><strong>5,183</strong></td>
<td><strong>9,433</strong></td>
</tr>
</tbody>
</table>

In the prior year all funds held were unrestricted.

12. Movements in funds

<table>
<thead>
<tr>
<th></th>
<th>At 1 April 2020</th>
<th>Income</th>
<th>Expenditure</th>
<th>Transfers between funds</th>
<th>At 31 March 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule of Law</td>
<td></td>
<td>-</td>
<td>25,000</td>
<td>(20,750)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td></td>
<td>-</td>
<td>25,000</td>
<td>(20,750)</td>
<td><strong>4,250</strong></td>
</tr>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General funds</td>
<td>7,166</td>
<td>113,574</td>
<td>(115,557)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>5,183</strong></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>7,166</td>
<td>138,574</td>
<td>(136,307)</td>
<td></td>
<td><strong>9,433</strong></td>
</tr>
</tbody>
</table>

**Purposes of restricted funds**
The Rule of Law fund is funding from Joffe Charitable Fund to employ a Taw Law Advisor.

There were no restricted funds in the prior year.

13. Related party transactions

The charity received £60,000 (2020: £100,000) from The Persula Foundation during the period. Julian Richer is a trustee of both charities.

The charity's payroll is administered free of charge by Richer Sounds, a company owned by trustee, Julian Richer. The value of this gift is expected to be in the region of £250. The company also waived £40,000 of set up costs owed from TaxWatch in the prior period.

Trustee Richard Brooks receives fees for his role as Chair of the charity's Editorial Committee. This amounted to £2,641 in the current year (2020: £9,224). This is permitted under the charity's Articles of Association.
TaxWatch

Notes to the financial statements

For the year ended 31 March 2021

14. Prior period restatement
The prior period has been restated to gross up income and expenditure to include £40,000 owed to Richer Sounds which was written off. There is no net effect on funds.

<table>
<thead>
<tr>
<th></th>
<th>As reported</th>
<th>Adjustment</th>
<th>As restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td>135,000</td>
<td>40,000</td>
<td>175,000</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(127,834)</td>
<td>(40,000)</td>
<td>(167,834)</td>
</tr>
<tr>
<td>Unrestricted funds carried</td>
<td>7,166</td>
<td>-</td>
<td>7,166</td>
</tr>
</tbody>
</table>