

Company no. 11609849
Charity no. 1189585

TaxWatch
Report and Unaudited Financial
Statements
31 March 2025

TaxWatch

Reference and administrative details

For the year ended 31 March 2025

Company number	11609849
Charity number	1189585
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: Ana Arendar Richard Brooks Jennifer Herrera Damien Morrison Julian Richer (Chair) James Timpson resigned 8 July 2024
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 2025

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2025.

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 Tax Watch's sixth annual report, covering the 12-month period from April 2024 to our year end in March 2025.

We have continued to build our portfolio of research, and published two long form reports during the year, periodically featuring in regional and national press and within Parliament. As a result of the quality of this work we have been able to continue to provide expertise to journalists and policy makers.

Claire Aston (nee Ralph) led the organisation throughout the year, along with the team comprised of Sarah Walton as Researcher and Dr Pete Sprout as Tax Crime Fellow until June 2024 when Dr Simon Watkins took over as Research Analyst and Chris White joined as Project Research Officer in January 2025.

The work of the organisation has continued with research and investigations focussed on tax reliefs and compliance issues, with the regulation of the tax profession project funded by Open Societies Foundation (OSF) reaching its concluding in the year and the start of a new strand of work into offshore compliance funded by direct grant from the Joffe Charitable Trust.

Organisational development

TaxWatch is a registered Charity (charity number 1189585). Our charitable objects, as seen in our Articles of Association, are 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.

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 directors and editorial committee

The Chair of Trustees is responsible for setting the pay of management. The day-to-day management of TaxWatch sits with the Director.

Staff

Claire Aston (nee Ralph) (Director) is a Chartered Tax Adviser and has been working on tax and tax policy since 2010, with a focus on the energy sector. In the years before joining TaxWatch she worked in tax practice and for a business group. She was Head of Tax for the Falkland Islands Government 2016-2018, where she reformed the oil taxation regime and ran the Tax Office there.

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Report of the trustees

For the year ended 31 March 2025

Dr Simon Watkins spent 8 years in tax practice, working across High Net Worth Individuals, SME and Sport and Entertainment sectors. He has just completed a PhD in social policy, examining the potential impact of a basic income. He has also worked in the charity sector on the evaluation of a variety of programmes.

Chris White is a lawyer, with over 12 years experience in the private sector and in government working on tax issues. He is also an associate lecturer for the Open University.

The Editorial Committee remains independent from the Board, ensuring that funders are not influencing the research agenda or editorial output 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.

The Board of Trustees continue to play an active role in the organisation, providing input and advice on fundraising, staffing, and long-term strategy.

Our registered office address remains: TaxWatch, 38 Coney Street, York, North Yorkshire, YO1 9ND.

Our governing document is available at the Companies House website.

Trustees

In the year James Timpson stood down from the TaxWatch Board with our thanks for his service to the organisation and best wishes for his role as Prisons Minister. His role was not replaced, meaning the Board now has 5 Trustees (6 previously).

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) and "Bean Counters: the triumph of the accountants and how they broke capitalism" (Atlantic, 2018).

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.

Julian's latest book – "Our Housing Disaster" was published in 2024, preceded by "The Ethical Capitalist: How to Make Business Work for a Better Society" (2018).

TaxWatch

Report of the trustees

For the year ended 31 March 2025

Damien Morrison

Damien Morrison is a partner in Morrison and Associates Solicitors and specialises in regulatory and criminal law. He regularly practises as a Higher Court Advocate.

Damien is the Company Secretary of TaxWatch.

Ana Caistor Arendar

Ana is Head of Inequality Campaigns and Policy at Oxfam GB. She previously worked as Oxfam's Campaigns, Policy and Communications Manager for Latin America and the Caribbean based in Mexico and Bolivia, and as 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.

James Timpson

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

James also chaired the Prison Reform Trust and was a trustee of the Tate Galleries. James resigned as Trustee in July 2024 when he was appointed to the House of Lords and Minister of State for Prisons and Probation in the Labour Government by Sir Keir Starmer.

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 anti-social behaviour.

The Editorial Committee

Richard Brooks – Chair

Claire Aston

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.

Before joining ICIJ, Simon spent 19 years at The Guardian, where he was a senior reporter working on tax and financial investigations. Since then, his reporting has appeared in documentaries for Vice News, BBC Panorama, YLE, and Reveal News and he has written investigative articles for the New York Times, Washington Post, The Telegraph, The Guardian, Australian Financial Review, Le Monde, Süddeutsche Zeitung and many other publications.

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Report of the trustees

For the year ended 31 March 2025

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.

She has written ground-breaking investigations on the food supply, migration, and government outsourcing and is author of the Sunday Times bestseller: Not On The Label: What Really Goes Into The Food On Your Plate.

Other relevant organisations

Reviewed and Cleared

Provides pre-publication advice on media law.

9th Floor, The Met Building, 22 Percy St, London, W1T 2BU.

Barclays Bank

Provides banking services.

1 Churchill Place, London, E14 5HP.

Richer Sounds

Home entertainment retailer: Richer Sounds provides payroll services and ad hoc IT support 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.

Our research and publications

The publication of research remains one of the main activities for TaxWatch. Most of our work is published on our website, though on occasion we contribute articles to trade press such as Taxation magazine, or collaborate with external financial journalists on joint articles that they are writing. We are very active in contributing to policy debates and government consultations on relevant subjects and provide evidence to inform politicians and parliamentary inquiries and debates.

Our ever-growing library of research has provided us with the credibility necessary to continue shaping the debate around tax policy, in line with our charitable objects, seeking to promote the sound administration of tax law, and compliance with tax law.

A summary of our research is below.

Offshore (non) compliance

We have initiated a significant new workstream in 2024-25 looking at HMRC's powers and access to data relating to taxpayers who own or benefit from wealth and assets held overseas, including secrecy jurisdictions. This has led on from previous work into the 'offshore tax gap' (which was finally published in October but with an extremely narrow scope) and feeds into an upcoming Parliamentary inquiry into HMRC's monitoring of compliance from the wealthiest taxpayers due in Summer 2025.

TaxWatch

Report of the trustees

For the year ended 31 March 2025

Research and development tax reliefs

Much work has been done on issues arising with this relief this year which is by far the most costly corporation tax relief but suffers from significant amounts of abuse. TaxWatch continues its work monitoring HMRC delayed and insufficient clamp down on 'erroneous' claims and pursuit of the claims farms that have been responsible for mass numbers of smaller repayments, pocketing the fee income and then phoenixing leaving the tax debt unpaid.

Creative sector tax reliefs

Our work looking at Creative Sector Tax Reliefs has continued, especially in relation to reforms made to the relief for audio visual effects, where the regime has recently been made more generous despite questionable value for money of the existing scheme and opportunities for abuse that we've highlighted. This will continue to be an area for future work with an upcoming focus on the high end TV scheme later in 2025.

HMRC's capacity as a modern tax administration

TaxWatch reported HMRC's deepening challenges in resourcing both their customer service and their tax compliance functions. Our findings were summarised in our updated State of Tax Administration report in October 2023 and then a series of blog articles in early 2024 alongside work with the ARC union representing senior HMRC officers culminating in the Parliamentary launch of a report in March 2024. TaxWatch's work was also covered in a tax specialist publication.

We have continued our focus on the spotty and inconsistent funding of compliance work within HMRC, and the challenge of addressing new threats to tax administration including the rise of non traditional assets such as crypto and offshore trusts and companies.

2024 saw a new focus on closing the tax gap and bringing down the level of tax arrears owed to HMRC which has reached record levels in 2024.

Other compliance issues

We've continued our work into the enduring disguised remuneration scheme market despite HMRC's (seemingly fruitless) attempts to clamp down on promoters of avoidance schemes and recent additional powers to prosecute those who continue to promote and sell schemes after they have been served with a Stop Notice. A focus for the organisation into 2025-26 is to feed into policy consultations designed to back up HMRC's current power with criminal offenses to drive out the main promoters peddling schemes to vulnerable taxpayers.

Regulators of tax advisers

This is our project kindly funded by a grant from the Open Society Foundation (OSF project). By focussing the making formal complaints to the 7 professional bodies who co-authored the Professional Conduct in Relation to Taxation (PCRT), and tracking how these bodies monitor and enforce their own rules we are proving that they have proved incapable or unwilling to regulate the standards of work that their members produce.

The reaction of the professional bodies to the complaints provide first-hand evidence of the deficiencies in the regulation of professional bodies. At Spring Budget 2024 HMRC launched a new consultation on how the sector could be regulated more closely by a government agency – the outcome TaxWatch favoured.

TaxWatch

Report of the trustees

For the year ended 31 March 2025

The use of TaxWatch research

TaxWatch continues to provide briefings to select committees, the National Audit Office, and individual MPs. We have continued to submit evidence to parliamentary inquiries and are actively engaged in a recently launched HMRC consultation into the regulatory failures within the tax adviser community.

TaxWatch continues to provide advice and tips to journalists, and we are happy to provide expertise to assist in explaining issues around UK tax. We regularly meet with other NGOs and think-tanks in the wider tax community and are grateful for the opportunity to provide TaxWatch research to the wider tax policy debate. Our social media reach continues to grow, as does our newsletter mailing list. We launched our account on BlueSky in late 2024, and have been stepping away from use of X/Twitter – our primary account is now BlueSky.

Throughout the year, we have published over 30 research articles, mostly blogs on relevant topics, and two substantial reports. Our work has been cited in the media, or we've fed into the work of other journalists behind the scenes and we've influenced the debate about how the government needs to focus on closing the tax gap and resourcing HMRC properly to improve tax compliance.

Financial review

Total income received in the period was £190,300 (2024: £141,103) and total expenditure was £136,212 (2024: £150,926).

We applied for and were delighted to receive funding from the Persula Foundation for our 2024/25 operational budget at the outset of the financial year and this was received in two tranches with a mid-year update provided in October. Our unrestricted funding position is healthy enough that we can delay requesting additional funds for the next 6 months, giving us security of finances for the coming year.

The TaxWatch board agreed to adopt a reserves policy for 2024/25 onwards, ensuring that unrestricted funds are maintained sufficient to cover 3 months of payroll and other core operational costs. At the end of the period, unrestricted funds were £84,912 (2024: £100), which exceeds the reserves target. The board anticipates that the balance of unrestricted funds will return to the level of three months' reserves by the end of 2025/26 through additional recruitment, and increased costs from an increase in the output of research and reports associated with additional staffing.

As part of our fundraising strategy to diversify our funding sources the organisation identified philanthropic trusts aligned with our organisation's mission to approach or apply for. Work on offshore compliance that would be an attractive project to pitch for restricted funding and approached the Joffe Charitable Trust in summer 2024 with a proposal for an 18 month project. We were delighted to be successful and the proposal was so strong that we were awarded an additional £15,000 of funding to extend our work to 24 months. A separate, but ultimately unsuccessful application was made to the Joseph Rowntree Charitable Trust in Autumn 2024.

Risk management

The trustees, as advised by the Director, are responsible for identifying and reviewing business, financial and operational risks, and for ensuring that procedures are in place to manage and mitigate identified risks.

TaxWatch

Report of the trustees

For the year ended 31 March 2025

A significant business risk to the charity is its longstanding reliance on donations from the Persula Foundation. The trustees do not anticipate any change in the charity's relationship with the Persula Foundation, but the charity has also diversified its funding sources during 2024/25 as described above, and will continue to seek to diversify its funding sources further during 2025/26.

The publication of research relating to the tax affairs of specific taxpayers may generate operational risks of becoming the target of legal action relating to defamation or privacy.

Defamation risk is managed through review of publications by an independent Editorial Committee (see above), peer fact-checking, right of reply, and where necessary external defamation risk advice.

Privacy risk is managed through the Director ensuring staff and contractors are familiar with, and implement, TaxWatch's privacy policy, GDPR obligations and obligations arising from the Data Protection Act 2018.

Plans for future periods

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. We continue to seek to balance publishing ground breaking research, along with contributing to public debates around taxation and working with media partners to ensure that research reaches the correct audience.

Our work holding the professional bodies to account over the practices of some regulated members of the tax profession is set to continue especially given both main political parties have committed to the results of the recent HMRC consultation in this area.

The Persula Foundation, a charitable foundation established by Julian Richer, has been the main source of funds for the organisation since its foundation.

Our main donors are committed to multi-year funding, and the majority of our funding is unrestricted, with a healthy balance of over 6 months of operating costs at the end of the year. Two projects have a balance of funds at year end, residual of the now complete OSF project (£10,000) and the recently started Joffe Charitable Trust project where we've received the first tranche of funding for a 24 month long project in October 2024 but the majority of the activities commenced in January 2025 with Chris White joining the team.

As a small organisation operating remotely, TaxWatch has does not have many fixed costs or liabilities other than payroll and insurance. A small amount of our funds are used for travel and expenses to attend meetings with key stakeholders and preparing reports for publication of our work.

TaxWatch extended its insurance coverage for Management Liability/Directors and Officers in October 2024 in line with best practice consistency with other charitable organisations funded by Persula.

TaxWatch

Report of the trustees

For the year ended 31 March 2025

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.

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 re-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 19 May 2025 and signed on their behalf by



Jennifer Herrera - Treasurer



Julian Richer - Chair

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 2025, which are set out on pages 11 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 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: 19 May 2025

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 2025

	Note	Restricted £	Unrestricted £	2025 Total £	2024 Total £
Income from:					
Donations and legacies	3	<u>35,000</u>	<u>155,300</u>	<u>190,300</u>	<u>141,103</u>
Total income		<u>35,000</u>	<u>155,300</u>	<u>190,300</u>	<u>141,103</u>
Expenditure on:					
Raising funds		-	13,678	13,678	7,695
Charitable activities		<u>65,264</u>	<u>57,270</u>	<u>122,534</u>	<u>143,231</u>
Total expenditure	5	<u>65,264</u>	<u>70,948</u>	<u>136,212</u>	<u>150,926</u>
Net income / (expenditure)		(30,264)	84,352	54,088	(9,823)
Transfers between funds		<u>(460)</u>	<u>460</u>	<u>-</u>	<u>-</u>
Net movement in funds	6	(30,724)	84,812	54,088	(9,823)
Reconciliation of funds:					
Total funds brought forward		<u>63,227</u>	<u>100</u>	<u>63,327</u>	<u>73,150</u>
Total funds carried forward		<u>32,503</u>	<u>84,912</u>	<u>117,415</u>	<u>63,327</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the accounts.

TaxWatch

Balance sheet

As at 31 March 2025

	Note	£	2025 £	2024 £
Fixed assets				
Tangible assets	9		<u>422</u>	<u>110</u>
Current assets				
Debtors	10	6,616		3,848
Cash at bank and in hand		<u>124,429</u>		<u>74,348</u>
		131,045		78,196
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>(14,052)</u>		<u>(14,979)</u>
Net current assets			<u>116,993</u>	<u>63,217</u>
Net assets	12		<u><u>117,415</u></u>	<u><u>63,327</u></u>
Funds	13			
Restricted funds			32,503	63,227
Unrestricted funds			<u>84,912</u>	<u>100</u>
Total charity funds			<u><u>117,415</u></u>	<u><u>63,327</u></u>

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, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with section 386 of the Act; and
- 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 19 May 2025 and signed on their behalf by



Jennifer Herrera - Treasurer



Julian Richer - Chair

TaxWatch

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) General information and basis of preparation

TaxWatch is a charitable company limited by guarantee registered in England and Wales. The registered office address is 38 Coney Street, York, North Yorkshire, YO1 9ND.

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, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

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.

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)**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.

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:

	2025	2024
Raising funds	10.0%	5.1%
Charitable activities	90.0%	94.9%

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
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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.

Notes to the financial statements

For the year ended 31 March 2025

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. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2024 Total £
Income from:			
Donations and legacies	63,603	77,500	141,103
Total income	<u>63,603</u>	<u>77,500</u>	<u>141,103</u>
Expenditure on:			
Raising funds	-	7,695	7,695
Charitable activities	64,272	78,959	143,231
Total expenditure	<u>64,272</u>	<u>86,654</u>	<u>150,926</u>
Net income / (expenditure) and net movement in funds	<u>(669)</u>	<u>(9,154)</u>	<u>(9,823)</u>

Notes to the financial statements

For the year ended 31 March 2025

3. Income from donations

	Restricted £	Unrestricted £	2025 Total £
Persula Foundation	-	155,000	155,000
Joffe Charitable Trust	35,000	-	35,000
Gifts in kind	-	300	300
Total income from donations	35,000	155,300	190,300

Gifts in kind relate to payroll services received.

Prior period comparative

	Restricted £	Unrestricted £	2024 Total £
Persula Foundation	-	76,000	76,000
Open Society Foundation	63,603	-	63,603
The Letting Centre	-	1,500	1,500
Total income from donations	63,603	77,500	141,103

4. Government grants

The charitable company receives no government grants to fund charitable activities.

Notes to the financial statements

For the year ended 31 March 2025

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2025 Total £
Staff costs (note 7)	11,124	94,550	5,562	111,236
Legal fees	-	-	532	532
Editorial and research	-	5,103	-	5,103
Travel and subsistence	-	-	830	830
Insurance	-	-	13,701	13,701
Depreciation	-	-	148	148
Accountancy	-	-	2,520	2,520
Sundry costs	-	-	2,142	2,142
Sub-total	11,124	99,653	25,435	136,212
Allocation of support and governance costs	2,554	22,881	(25,435)	-
Total expenditure	13,678	122,534	-	136,212

Total governance costs were £2,220 (2024: £2,100).

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2024 Total £
Staff costs (note 7)	6,492	116,853	6,492	129,837
Legal fees	-	-	1,934	1,934
Editorial and research	-	3,984	-	3,984
Travel and subsistence	-	-	1,296	1,296
Insurance	-	-	9,892	9,892
Depreciation	-	-	231	231
Accountancy	-	-	2,100	2,100
Sundry costs	-	-	1,652	1,652
Sub-total	6,492	120,837	23,597	150,926
Allocation of support and governance costs	1,203	22,394	(23,597)	-
Total expenditure	7,695	143,231	-	150,926

Notes to the financial statements

For the year ended 31 March 2025

6. Net movement in funds

This is stated after charging:

	2025	2024
	Total	Total
	£	£
Depreciation	148	231
Trustees' remuneration (note 14)	3,603	3,984
Trustees' reimbursed expenses	Nil	Nil
Independent examiners' remuneration:		
▪ Independent examination (excluding VAT)	1,850	1,750

In common with other charities of our size and nature we use our independent examiners to assist with the preparation of the financial statements.

7. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	100,464	106,859
Social security costs	7,017	8,533
Pension costs	2,354	2,851
Contractors	1,401	11,594
	111,236	129,837

No employee earned more than £60,000 during the current or prior period.

The key management personnel of the charitable company comprise the trustees and Director. The total employee benefits of the key management personnel were £64,221 (2024: £53,641).

	2025	2024
	No.	No.
Average head count	3	4

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

TaxWatch

Notes to the financial statements

For the year ended 31 March 2025

9. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2024	1,150
Additions	460
Disposals	<u>(330)</u>
At 31 March 2025	<u>1,280</u>
Depreciation	
At 1 April 2024	1,040
Charge for the year	148
On disposals	<u>(330)</u>
At 31 March 2025	<u>858</u>
Net book value	
At 31 March 2025	<u><u>422</u></u>
At 31 March 2024	<u><u>110</u></u>

10. Debtors

	2025 £	2024 £
Prepayments	<u><u>6,616</u></u>	<u><u>3,848</u></u>

11. Creditors: amounts due within 1 year

	2025 £	2024 £
Accruals	<u><u>14,052</u></u>	<u><u>14,979</u></u>

Notes to the financial statements

For the year ended 31 March 2025

12. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	422	422
Current assets	32,503	98,542	131,045
Current liabilities	-	(14,052)	(14,052)
Net assets at 31 March 2025	32,503	84,912	117,415
Prior period comparative			
	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	110	110
Current assets	63,227	14,969	78,196
Current liabilities	-	(14,979)	(14,979)
Net assets at 31 March 2024	63,227	100	63,327

Notes to the financial statements

For the year ended 31 March 2025

13. Movements in funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2025 £
Restricted funds					
Open Society Foundation	63,227	-	(50,683)	(460)	12,084
Joffe Charitable Trust	-	35,000	(14,581)	-	20,419
Total restricted funds	63,227	35,000	(65,264)	(460)	32,503
Unrestricted funds					
General funds	100	155,300	(70,948)	460	84,912
Total unrestricted funds	100	155,300	(70,948)	460	84,912
Total funds	63,327	190,300	(136,212)	-	117,415

Purposes of restricted funds

The Open Society Foundation (OSF) is restricted to a project overseen by Transparency International looking at the role of tax professionals in enabling tax crime. The expenditure against this project is the salary for Dr Pete Sproat, along with 20% of the salaries and associated employment costs of Alex Dunnagan/Claire Ralph, Sarah Walton and Richard Brooks.

Funding from the Joffe Charitable Trust is restricted to a project examining offshore tax compliance and non-compliance, which is expected to run until October 2026. The expenditure against this project is the salary and associated employment costs for the Project Research Officer, non-staff costs associated with the project, and proportions of other staff salaries and associated employment costs in accordance with their involvement in the project.

Prior year comparative

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Restricted funds				
Open Society Foundation	63,896	63,603	(64,272)	63,227
Total restricted funds	63,896	63,603	(64,272)	63,227
Unrestricted funds				
General funds	9,254	77,500	(86,654)	100
Total unrestricted funds	9,254	77,500	(86,654)	100
Total funds	73,150	141,103	(150,926)	63,327

Notes to the financial statements

For the year ended 31 March 2025

14. Related party transactions

The charity's payroll is administered free of charge by Richer Sounds, a company 40% owned by trustee, Julian Richer. During the year Richer Sounds paid £111,994 (2024: £117,832) to cover payroll and other costs of the charity during the year, the charity repaid £111,360 (2024: £117,889) in the year. At the year end the charity owed Richer Sounds £11,761 (2024: £12,081), which is included in accruals. The free payroll administration provided by Richer Sounds is valued in the region of £300 (2024: £250).

Trustee Julian Richer is also a trustee of Persula Foundation. During the year, the charity received £155,000 from Persula Foundation (2024: £76,000). No amounts were outstanding at year end.

Trustee Richard Brooks receives fees for his role as Chair of the charity's Editorial Committee. This amounted to £3,603 in the current year (2024: £3,984). This is permitted under the charity's Articles of Association.