

Charity Tax Group

(registered as a company limited by guarantee in England and Wales)

(Registered number: 08028281)

Unaudited

Directors' report and financial statements

for the year ended 31 December 2019

Charity Tax Group

(registered as a company limited by guarantee in England and Wales number 08028281)

Report and financial statements for the year ended 31 December 2019

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Company information

Directors

K Atkinson (resigned 4 April 2019)	Treasurer
B T Brand (appointed 4 April 2019, resigned 5 May 2020)	
R V Bray	Vice-Chairman
A G Disley (appointed 4 April 2019, resigned 9 November 2020)	
P M Hayes	
J D Hemming	Chairman
F Iqbal (resigned 10 August 2020)	
K J Russell	Vice-Chairman
J P C Spedding	
D A Spivey (resigned 4 April 2019)	
M Varriale	

Company Secretary

S A Nunn

Registered number

8028281

Registered Office and Operating address

Church House
Great Smith Street
London SW1P 3AZ
United Kingdom

Bankers

Metrobank PLC
120 Cheapside
London, EC2V 7JB

Barclays Bank plc
1, Churchill Place,
London E14 5HP

The Charity Bank Ltd
Fosse House
182, High Street,
Tonbridge TN9 1BE

Independent Examiner

Anthony Alford
Chartered Accountant
Shepherd's Crook
Netherbury
Bridport
Dorset DT6 5LY

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds LS2 3AG

Charity Tax Group

(registered as a company limited by guarantee in England and Wales number 08028281)

Report of the Directors for the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activities

The Charity Tax Group (CTG) originally consisted of a group of charities set up to improve the fiscal treatment of registered charities and similar bodies through representation in the UK to the Government, to HM Revenue & Customs and to the Charity Commission and in the European Union to the European Parliament and to the Council of Ministers and other bodies as deemed appropriate.

The Directors of the company are also the members of the company for Company law purposes and are elected by the Contributing Charity Members in accordance with the Articles of Association.

Professional firms with charity clients and which have an interest in tax issues are eligible to join as Observer Members, but are not Company law members of the company.

CTG is not itself a charity. However, the directors, having regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011, consider that the company operates for public benefit.

Directors

The directors who served during the year were:

Karen Atkinson (resigned 4 April 2019)
Barnaby Brand (appointed 4 April 2019, resigned 5 May 2020)
Richard Bray
Andrew Disley (appointed 4 April 2019, resigned 9 November 2020)
Philip Hayes
John Hemming
Favaad Iqbal (resigned 10 August 2020)
Kevin Russell
Philip Spedding
Darren Spivey (resigned 4 April 2019)
Monica Varriale

No director received emoluments in the year (2018: nil).

In addition to the directors the following served as advisory members of the management committee during David Warellow, Lisa Burke (Treasurer) and Ruchir Shah.

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

This report was approved by the board on 16th December 2020 and signed on its behalf.


John Hemming Chairman

Charity Tax Group

(registered as a company limited by guarantee in England and Wales number 08028281)

Independent Examiner's report to the Board of Directors on the unaudited statutory financial statements of Charity Tax Group for the year ended 31 December 2019.

I report on the financial statements of Charity Tax Group for the year ended 31 December 2019 which are set out on pages 4 to 10.

Charity Tax Group is a public benefit interest entity that is not a registered charity. In planning and reporting on the work carried out, the recommendations applicable to charities have been recognised and that terminology has been adopted in this report.

This report is made solely to the Board of Directors as a body and my work has been undertaken so that I might state to the Board of Directors those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Charity Tax Group and its Board of Directors as a body for my work or for this report.

Responsibilities and basis of report

As the directors of the Company 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 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 your 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 matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of 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 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 (FRS102))

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.

Anthony Alford

Date: *21 December 2020*

Anthony Alford
Chartered Accountant
Shepherd's Crook, Netherbury, Bridport, Dorset, DT6 5LY

Charity Tax Group

(registered as a company limited by guarantee in England and Wales number 08028281)

Statement of Financial Activities for the year to 31 December 2019

(incorporating an income and expenditure account)

	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds
		£	£	2019 Total	2018 Total
		£	£	£	£
<i>Income from:</i>					
Voluntary donations from member charities	3	168,656	45,300	213,956	167,130
Contributions from observer members		67,991	-	67,991	66,417
Total income		236,647	45,300	281,947	233,547
<i>Expenditure on furthering the objectives of CTG:</i>					
Lobbying and representation		103,879	-	103,879	100,559
Monitoring & information provision		32,238	-	32,238	31,208
Professional fees		28,512	-	28,512	32,784
VAT research project		-	34,555	34,555	-
Contribution to ECCVAT		1,380	-	1,380	1,530
Travel and subsistence		166	-	166	79
Publications (reference materials)		357	-	357	302
Media & communications		1,320	-	1,320	1,104
Printing & Stationery		1,165	-	1,165	1,974
Website expenses		507	-	507	779
Depreciation of intangible asset	6	5,586	-	5,586	16,756
		175,110	34,555	209,665	187,075
<i>- administration costs</i>					
Secretariat service		42,984	-	42,984	41,611
Postage		30	-	30	148
Insurance		1,120	-	1,120	1,120
Other expenditure		356	-	356	322
		44,490	-	44,490	43,201
<i>- governance and support costs</i>					
AGM, management and other meeting costs		2,279	-	2,279	1,957
Independent Examination and filing fees		801	-	801	1,007
		3,080	-	3,080	2,964
Total expenditure		222,680	34,555	257,235	233,240
(total expenditure on furthering the objectives of CTG)					
Net income		13,967	10,745	24,712	307
(net income for the year before taxation)					
Taxation	4	-	-	-	-
Net movement in funds		13,967	10,745	24,712	307
(Net income for the year after taxation)					
Reconciliation of funds					
Total funds brought forward	9	111,705	-	111,705	111,398
Total funds carried forward		125,672	10,745	136,417	111,705

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 7 to 10 form part of these financial statements.

Charity Tax Group

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Balance Sheet at 31 December 2019

	Note	2019 Total funds £	2018 Total funds £
Fixed Assets:			
Intangible assets	6	-	5,586
Current Assets:			
Cash at bank		152,617	114,465
Debtors	7	-	1,120
Total current assets		<u>152,617</u>	<u>115,585</u>
Current Liabilities:			
Creditors: amounts falling due within one year	8	(16,200)	(9,466)
Net current assets		<u>136,417</u>	<u>106,119</u>
Total assets less current liabilities		<u><u>136,417</u></u>	<u><u>111,705</u></u>
Funds (Capital and Reserves)			
Designated Fund	9	-	5,586
Restricted funds	9	10,745	-
Income and Expenditure account & unrestricted funds	9	125,672	106,119
Total funds		<u><u>136,417</u></u>	<u><u>111,705</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2019 and of its surplus for the year in accordance with the requirements of sections 394 and 395 of the Act and which comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Act and in accordance with the Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2020. *16th December 2020*


John Hemming Chairman

The notes on pages 7 to 10 form part of these financial statements.

Charity Tax Group

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Statement of Cash Flows for the year to 31 December 2019

	2019 Total £	2018 Total £
Cash flows from operating activities -		
Net cash provided by operating activities	38,152	16,821
Change in cash and cash equivalents in the reporting period		
Cash and cash equivalents at the beginning of the reporting period	114,465	97,644
Cash and cash equivalents at the end of the reporting period	<u>152,617</u>	<u>114,465</u>
Reconciliation of net movement of funds to net cash flows from operating activities		
Net income after taxation	24,712	307
Depreciation	5,586	16,756
Decrease/(Increase) in debtors	1,120	(1,120)
Increase in creditors	6,734	878
Net cash provided by operating activities	<u>38,152</u>	<u>16,821</u>
Analysis of cash and cash equivalents		
Cash at bank	152,617	114,465
Total cash and cash equivalents	<u>152,617</u>	<u>114,465</u>

The notes on pages 7 to 10 form part of these financial statements.

Charity Tax Group

(registered as a company limited by guarantee in England and Wales number 08028281)

Notes to the Financial Statements for the year ended 31st December 2019

1 Statutory Information

Charity Tax Group (CTG) is a private company limited by guarantee, registered in England and Wales (registered number 08028281) and thus does not have share capital. The registered office is Church House, Great Smith Street, London SW1P 3AZ. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

2 Accounting Policies

(a) Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis under the historical convention in accordance with:

- the Financial Reporting Standards applicable in the UK and Republic of Ireland (including FRS 102),
- the Companies Act 2006; and
- with reference to Charities SORP (FRS 102) as is permitted by paragraphs 7 and 8 of FRS 100.

The company is a public benefit entity that while not a charity effectively operates for and within the charity sector. For that reason these financial statements and notes use terminology that is recognised in the charity sector.

The COVID-19 crisis has led the directors to evaluate the company's future income streams in the light of the pandemic. Income for the year to 31 December 2020 has held up well. However, with the significant drop in charity income due to the pandemic there is uncertainty as to its impact on the company's future donation income. The level of the company's reserves is such that it has time to develop other income streams should its donation income decline significantly. As a result, the going concern basis is considered to be appropriate in the context of the company's ability to meet its obligations as they fall due, in the period of twelve months following the date of approval of these financial statements. In this consideration, the company's asset position, the level and profile of its liabilities and the company's ability to determine the level of activities have been taken into account.

(b) Income

Income is recognised in the Statement of Financial Activities (SOFA) when the following conditions are met:

- The company becomes entitled to the resources.
- The receipt is probable; and
- The monetary value can be measured with sufficient reliability.

Where incoming resources have related expenditure both income and expenditure are shown gross.

Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Grants receivable are recognised when due and when any conditions for receipt are met in accordance with the "performance model" described in FRS 102 paragraph 24.5B.

Grants or income received for specific purposes are not general income or unrestricted funds of the company. Instead they are allocated to a restricted fund as appropriate. Any grants or donations not used for their original purpose are returned to the funder or to the donor.

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Notes to the Financial Statements for the year ended 31st December 2019

CTG benefits both from the contributions of volunteers, including its Directors and many advisors, and from other goods and services that are provided by supporters free of charge. It is not considered practical to attribute a value to those items in these financial statements.

(c) Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the company to pay out resources. All resources expended are recognised on an accruals basis. CTG includes the cost of VAT incurred in the relevant expense category.

(d) Intangible fixed assets and depreciation

Intangible fixed assets are stated at cost less accumulated depreciation and assessed for any impairment of value.

Depreciation on intangible assets (website and portal) is provided on a straight line basis at 33.33% per annum.

(e) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and may be subsequently measured at their settlement value.

(f) Funds (Capital and Reserves)

Restricted Funds and Designated Funds are included within Funds (Capital and Reserves).

Restricted funds can only be used for particular purposes specified by the funder/donor or be funds raised for a specific project with the knowledge of the funder/donor.

Designated funds are funds which the directors have allocated for a specific purpose from free reserves.

Amounts donated or designated for a specific purpose are released from the reserve in the year in which the restriction or designation is fulfilled (see (b) above).

3 Voluntary donations from member charities

Voluntary donations from member charities contributing to unrestricted funds were received in the year in the following bands:

Values of individual donations	Number of charities donating within that	Total donations within that band
>£10,000	4	£70,490
£1,001 to £10,000	12	£34,306
£501 to £1,000	46	£34,870
£251 to £500	51	£20,855
£1 to £250	50	£8,135
	163	£168,656

4 Taxation

In considering the factors affecting the tax charge for the year, the directors have given consideration to the company's activities and its taxable status and have concluded that a tax liability relating to 2019 and previous years does not arise.

5 Staff costs and Directors' Remuneration and Benefits

There were no staff employed in 2019 (2018: nil) and there were no directors' remuneration or other benefits for the year ended 31 December 2019 (2018: nil).

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Notes to the Financial Statements for the year ended 31st December 2019

6 Intangible fixed assets	Website and portal
	£
Cost:	
At 1 January 2019	50,268
Additions	-
Disposals	-
At 31 December 2019	<u>50,268</u>
Depreciation:	
At 1 January 2019	44,682
Charge for year	5,586
Disposals	-
At 31 December 2019	<u>50,268</u>
Net book value 31 December 2019	<u>-</u>
Net book value 31 December 2018	<u>5,586</u>

The company's website and portal became operational from 1 May 2016 and has been depreciated from that date.

7 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Donations due from member charities	-	1,120

8 Creditors	2019	2018
	£	£
Amounts falling due within one year:		
Accruals	15,300	8,616
Deferred income	900	850

9 Reserves (funds reported under FRS 102)

	Designated Fund £	Unrestricted Funds £	Restricted Funds £
Balance 31 December 2018	5,586	106,119	-
Income	-	237,125	45,300
Expenditure	-	(223,158)	(34,555)
Transfers	(5,586)	5,586	-
Balance 31 December 2019	<u>-</u>	<u>125,672</u>	<u>10,745</u>

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Notes to the Financial Statements for the year ended 31st December 2019

The comparative figures are as follows:

	Designated Fund £	Unrestricted Funds £	Restricted Funds £
Balance 31 December 2017	22,342	89,056	-
Income	-	225,337	8,470
Expenditure	-	(225,030)	(8,470)
Transfers	(16,756)	16,756	-
Balance 31 December 2018	<u>5,586</u>	<u>106,119</u>	<u>-</u>

Designated Fund

The designated fund is equal to the net book value of the intangible asset represented by the company's website. It is maintained to highlight that these funds are not available for another purpose.

Unrestricted funds

The balance on unrestricted funds represents the net funds of the company which have not yet been expended and are not restricted or designated.

Restricted funds

The restricted funds for the period relate to a VAT research project to understand the impact of current VAT rules on charities to enable the protection of existing VAT reliefs and future lobbying for additional changes to benefit the charitable sector. The restricted funds for the comparative period related to consultations with legal counsel whereby charity members provided donations specific to this activity. As at 31 December 2019, had a contractual commitment to pay London Economics a further £28,692 (inclusive of VAT) for their services relating to this project when they were performed. Of the £28,692, £4,782 has been accrued in the SOFA for year ended 31 December 2020 based on stage of completion of the work at the balance sheet date.

10 Controlling party

CTG is constituted as a company limited by guarantee. In accordance with its Articles of Association, control of the company is vested in the Directors who represent the Contributing Charity Members.

11 Irrecoverable VAT

Irrecoverable VAT is a major cost and concern for UK charities and CTG makes strenuous representations on behalf of its members on this issue, both in Westminster and in Europe. For this reason, CTG highlights the amount of irrecoverable VAT that it incurred itself in the year. In 2019 this amounted to £39,687 (2018: £35,527).

12 Related party transactions

There were no related party transactions during the year ended 31 December 2019 or prior year.