



Tax and the Family Trustees Annual Report & Accounts



For the year to 31st March 2022



Purpose

The charity was set up in March 2018 in order to make the impact of the tax and benefits on families better understood by the wider community and public.

Activities

The trust undertakes research on the impact of the tax and benefits on UK families and has presented its research to the Government and other bodies concerned with the welfare of families and in particular families in or at risk of falling into poverty. The charity aims to suggest ways the government can improve the finances of families, and their living standards.

Volunteers

The Trustees are grateful for the extensive work undertaken by volunteers who collect and analyze data, and use their professional skills to highlight the difficulties faced by families as a result of the current tax structure. Increasingly we are finding that there is a need to pay for professional support and they could not do this without the funding provided by other bodies and individuals.

Achievements

The charity has again produced with CARE a substantial report on the taxation of families in the United Kingdom in 2020/21 which included international comparisons based on the latest available OECD data. We are not aware of anyone else producing a comparable in-depth analysis. The report was launched at a hybrid parliamentary event chaired by Miriam Cates MP.

This and much of our other work is based on tax and benefit model tables for the produced for us a young economist. The tables show the effect of income tax, national insurance contributions and benefits on the finances on hypothetical household. The model also takes account of housing costs. These tables enabled us to work out which households bear the heaviest income tax burdens and where these households fit into the distribution of incomes. We think there is nothing comparable available to other researchers and an interactive copy has been placed on our website which any one can use.

Papers analyzing the results for 2020/21 were published on our website. These showed that households with children, particularly single-earner couples, single parents and larger households have higher income tax liabilities than other households with the same equivalised household incomes and have much higher marginal rates.

The trust also produced a short note on the increase in the minimum wage pointing out that the increase did not compensate for a cut in universal credits and drawing attention to the number of hours that someone on universal credit needed to work to compensate for the withdrawal of the £20. Someone working 30 hours a week at the new minimum wage is likely to gain only £3. The Government had implied that two hours work at the minimum wage would be sufficient. This is not the case because the effective marginal rate for families on benefits will still be 70%. The comparable rate in other OECD countries was 38%.

In April 2021 we commented on new Government household income figures pointing out that a couple with two children under 14 needed £40,000 after tax household income to have an average standard of living whereas a single adult needed only £19,200.

In September 2021 together with CARE for Scotland a report was produced showing the impact of tax and benefits on family incomes in Scotland. Both the income tax system and benefit system is different in Scotland, to enable this report to be produced a Scottish version of the model tables had to be produced.



This and other work could not have been undertaken without a very generous grant from the Chartered Institution of Taxation. We also received very considerable assistance in our work from Christian Action, Research and Education and from Mothers at Home Matter. We are extremely grateful to all of them.

The charity makes its research available to members of the public and other organizations concerned with the welfare of families on its website. There were 200 visits to the website in the year to 31st March 2021.

Future Plans

The charity does is dependent on two volunteers both of whom are well into later life. We think the work we do is important and is not duplicating work done by others. The arguments which the charity has made for a fairer sharing of the income tax burden appear largely to have fallen on deaf ears although the need for reform has never been greater as the tax burden and cost of living increases.

The trustees need to have discussions with those who have supported the work to determine whether and how the work can be sustained. New sources of finance need to be found and discussions held with other charities and NGOs to explore options. Research is depended on the model tables. The economist who has been responsible for these tables is unlikely to be available after the summer.

If the charity is to continue we also need to put more resources into communications. Efforts have been made over the last year but a breakthrough has not been achieved.

Financial Results

As mentioned above we received a grant of £3,000 from the Chartered of Institute of Taxation. With donations of £940 and gift aid, our total income was £4,125.

After expenses of £2,764 we made a surplus of £1,361 which, with £46 brought forward, gave us £1,407 for future work.

Structure and Governance

The Charity is not registered with the Charities Commission as its income is below £5,000 but is recognized by HMRC for gift aid purposes.

The Trustees are:
Dr John F Avery Jones CBE;
Leonard J H Beighton CB;
and Donald G Draper

The trust's secretary is Mrs. Janet Horgan of 31 Roy Road, Northwood, Middlesex HA6 1EQ.

The trust bankers are Lloyds Bank, Smethwick.

Declaration

The Trustees hereby declare they approve the above report.

Trustee
Dr John Avery Jones CBE
Date 6th September 2022

Trustee
Leonard J H Beighton CB
Date 5th September 2022

Trustee
Donald G Draper
Date 9th September 2022



Statement of Financial Activities

The Trustees present the accounts of the Charity for the year-ended period 31 March 2022.

These accounts have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant account.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014 and with the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS102.

Going Concern

There are no uncertainties that cast doubt on the charity's ability to continue as a going concern. All funds received or used during the year are unrestricted.

Recognition of Income

Donations are recognised when the charity becomes entitled to the resources
There are no staff employed by the charity. The charity relies on volunteers who provide their services for no charge.

The Trustees are not aware of any events after the reporting period which require disclosure.

As the annual income of the Charity is less than £25,000 the Trustees have taken advantage of the exemption and do not have an independent examiners report.



Accounts

Tax and the Family Charitable Trust Accounts as at 31 March 2022

	Note	Year to 31-Mar 2022 £	Year to 31-Mar 2021 £
Income			
Unrestricted funds			
Donations	1	940	1,489
Gift Aid		185	466
Grants		3,000	1,200
Total		<u>4,125</u>	<u>3,155</u>
Expenditure			
Website		829	1,356
Analysis and modelling		896	1,985
Communication	3	750	0
Travelling	4	289	0
Total expenditure on charitable activities		<u>2,764</u>	<u>3,341</u>
Charity governance	2	0	0
Total expenditure		<u>2,764</u>	<u>3,341</u>
Surplus/- deficit		1,361	-186
Funds brought forward		<u>46</u>	<u>232</u>
Funds carried forward		<u>1,407</u>	<u>46</u>
Balance sheet			
Cash at bank		<u>1,407</u>	<u>46</u>
Total unrestricted funds		<u>1,407</u>	<u>46</u>

Notes

- Note 1 Of the donations, £540 came from a trustee.
 Note 2 All of the work on governance was done voluntarily.
 Note 3 These activities were carried out by a party with a connection to a Trustee
 Note 4 The travel expenses were paid to a trustee

Certified by Virginia Newsom ACA
Virginia Newsom

Date 1st July 2022



Signed on behalf of the Trustees by:

Trustee *L J H Beighton*

Name **Leonard J H Beighton CB**

Date **9th September**

Trustee *D G Draper*

Name **Donald G Draper**

Date **9th September**

Trustee *Dr J Avery Jones*

Name **Dr John Avery Jones CBE**

Date **9th September**



Contact:

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