# Registered number OC316294

Tax Research LLP

**Report and Accounts** 

31 March 2012

**'HURSDAY** 



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# Tax Research LLP Members' Report

The members present their report and accounts for the year ended 31 March 2012

## **Principal activities**

The LLP's principal activity during the year continued to be the undertaking of research on taxation and related economic issues. The principle activities are the publication of a blog (<a href="www.taxresearch.org.uk/blog">www.taxresearch.org.uk/blog</a>) and specific research and advocacy projects related to taxation issues, mainly as they impact on poverty. During the year in question principle funding came from the Task Force on Financial Integrity and Economic Development, ultimately funded by the Norwegian and Spanish governments to work on advocacy for country-by-country reporting that has now resulted in draft legislation for the European Union being published. In addition, income paid as a personal grant by the Joseph Rowntree Charitable Trust to Richard Murphy, the Director of Tax Research LLP is recorded as income of the partnership for disclosure purposes within these accounts. The work in question focussed on the economics of taxation in the UK and has now resulted in the publication of a book entitled 'The Courageous State'. Smaller projects were undertaken with the TUC, Tax Justice Network, a number of development NGOs and with the Democratric and Socilaist Grouping of the European Union. These looked at issues relating to tax avoidance and evasion and tax haven activity.

The demand for the services the partnership has to offer are growing and this is a trend that is expected to continue Since the year end the range of those with whom the partnership can cooperate in undertaking research projects has been extended so that greater capacity to research issues critical to the creation of tax justice in the UK and internationally can be made available

### **Designated members**

The following persons served as designated members during the year

Richard Murphy
Jacqueline Murphy

# Policy with respect to members' drawings and subscription and repayment of members' capital

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is assessed during the course of each financial year, taking into account the anticipated cash needs of the LLP.

This report was approved by the members on 18 December 2012 and signed on their behalf by

Richard J Murphy Designated member

18 December 2012

Tax Research LLP
Profit and Loss Account
for the year ended 31 March 2012

	Notes	2012 £	2011 £
Turnover	2	77,188	57,046
Cost of sales		(1,165)	(4,037)
Gross profit		76,023	53,009
Administrative expenses		(10,937)	(8,817)
Operating profit	3	65,086	44,192
Interest receivable		13	10
Profit before members' remuneration and profit share		65,099	44,202
Profit for the financial year available for discretionary division among members		65,099	44,202

**Tax Research LLP** 

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**Balance Sheet** 

as at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets		~	~
Tangible assets	4 _	1,700	2,776
Current assets			
Stocks		520	_
Debtors	5	947	2,626
Cash at bank and in hand		33,279	2,651
		34,746	5,277
Creditors: amounts falling due within one year	6	(24,137)	(13,300)
Net current assets/(liabilities)		10,609	(8,023)
Total assets less current liabilities		12,309	(5,247)
Net assets/(liabilities) attributable to members		12,309	(5,247)
Represented by:			
Members' interests Reserves Members' other interests	<sup>7</sup> _	12,309 12,309	(5,247) (5,247)

For the year ended 31 March 2012 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime

These accounts were approved by the members on 18 December 2012 and signed on their behalf by

Richard J Murphy
Designated member

# Tax Research LLP Notes to the Accounts for the year ended 31 March 2012

# 1 Accounting policies

## Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP), "Accounting by Limited Liability Partnerships"

#### Turnover

Turnover represents the value of grants received from funders attributable to activities undertaken in the year and services provided to research clients as well as costs recovered in relation to research and other work undertaken. Included in the financial statements is £35,000 paid by the Joseph Rowntree Charitable Trust to Richard Murphy in a personal capacity but included in the income of the partnership for the sake of full disclosure and to ensure that the income in question is brought within the scope of income tax which, HM Revenue & Customs have advised the Joseph Rowntree Charitable Trust, would not otherwise be due. The LLP is not registered for the purposes of VAT, most of its income falling outside the scope of that tax

## Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Plant and machinery

33 3% straight line

### Stocks

Stock is valued at the lower of cost and net realisable value

## Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

2	Turnover	2012	2011
	Turnover attributable to geographical markets outside the UK	42%	34%
3	Operating profit	2012 £	2011 £
	This is stated after charging	•	
	Depreciation of owned fixed assets	1,544	1,388

# Tax Research LLP Notes to the Accounts for the year ended 31 March 2012

4	Tangible fixed assets		Plant and machinery etc £
	Cost At 1 April 2011		4,164
	Additions		468
	At 31 March 2012		4,632
	Depreciation At 1 April 2011		1,388
	Charge for the year		1,544
	At 31 March 2012		2,932
	Net book value At 31 March 2012		1,700
	At 31 March 2011		2,776
5	Debtors	2012 £	2011 £
	Trade debtors	500	2,311
	Prepayments	447	315
		947	2,626
6	Creditors: amounts falling due within one year	2012 £	2011 £
	Income in advance	24,137	13,300
7	Total members' interests	Member's capital £	Total £
	Balance at 1 April 2011	252	252
	Profit for the financial year available for discretionary division among members	65,099	65,099
	Members' interests after profit for the year	65,351	65,351
	Drawings	(53,042)	(53,042)
	Balance at 31 March 2012	12,309	12,309

99% of profit was allocated to Richard Murphy during the course of the year and 1% to

Jacqueline Murphy

# Tax Research LLP Notes to the Accounts for the year ended 31 March 2012

# 8 Grants and income received

Grants in the year from charities and research foundations for which no services were supplied in exchange were as follows

	2012	2011
	£	£
Task Force for Financial Integrity and Economic Development	18,460	32,070
Joseph Rowntree Charitable trust	35,000	20,417

The balance of income generated was for undertaking consultancy engagements. The Democratic and Socialist Group of MEPs was the largest single customer for such services.

Income received in advance of services being supplied, or where an award would be refundable if conditions attaching to its grant had not been fulfilled, are treated as income in advance at the year end date