# Ethical Consumer Research Association Limited

## Fair Tax Mark Statement (February 2024)

**This statement of Fair Tax compliance was compiled in partnership with the [Fair Tax Foundation] ("FTF") and certifies that Ethical Consumer Research Association Limited ("the Society") meets the standards and requirements of the FTF's UK Small Business Standard for the Fair Tax Mark certification.**

### Tax Policy

The Society is committed to paying all the taxes that we owe in accordance with the spirit of all tax laws that apply to our operations. We believe that paying our taxes in this way is the clearest indication we can give of being responsible participants in society. We will fulfil our commitment to paying the appropriate taxes that we owe by seeking to pay the right amount of tax, in the right place, and at the right time. We aim to do this by ensuring that we report our tax affairs in ways that reflect the economic reality of the transactions that we undertake during the course of our trade.

We will not seek to use those options made available in tax law, or the allowances and reliefs that it provides, in ways that are contrary to the spirit of the law. Nor will we undertake specific transactions with the sole or main aim of securing tax advantages that would otherwise not be available to us based on the reality of the trade that we undertake. The Society will never undertake transactions that would require notification to HM Revenue & Customs under the Disclosure of Tax Avoidance Schemes Regulations or participate in any arrangement to which it might be reasonably anticipated that the UK's General Anti-Abuse Rule might apply.

We believe tax havens undermine the UK's tax system. As a result, whilst we may trade with customers and suppliers genuinely located in places considered to be tax havens, we will not make use of those places to secure a tax advantage, and nor will we take advantage of the secrecy that many such jurisdictions provide for transactions recorded within them. Our accounts will be prepared in compliance with this policy and will seek to provide all the information that users, including HM Revenue & Customs, might need to properly appraise our tax position.

### Society Information

Ethical Consumer Research Association Limited is a registered co-operative society, with over 200 members. Originally established in 2008; the Society's principal activity is that of publishing information to help people incorporate ethics into their buying decisions and providing research and consultancy services to businesses, charities, and NGOs.

All members are entitled to one vote at meetings and members annually elect directors to the board.

The registered office address of the Society is Unit 21, 41 Old Birley Street, Manchester, M15 5RF, which is also its trading address.

## Tax Information

The Society's average profit before tax over the last three years ended 31 March 2021 to 2023 was £19,565. The expected tax charge on these profits at the headline rate of 19% would be £3,717. The actual average current tax charge over the same period was £NIL (0%) and the reasons for this being less than expected are explained below in the following tax reconciliation and accompanying footnotes:

| | £ |
|---|---|
| Average profit before tax | 19,565 |
| **Average expected corporation tax (19.0%)** | **3,717** |
| | |
| 1. Depreciation in excess of capital allowances | 1,637 |
| 2. Tax relief for share interest paid | (3,321) |
| 3. Expenses not deductible for tax purposes | 11 |
| 4. Tax losses utilised | (2,044) |
| | |
| **Average current tax charge (0.0%)** | **-** |

1. The accounting treatment of fixed assets differs from the tax treatment. For accounting purposes, fixed assets are depreciated over their useful economic lives. For tax purposes, there are specific rules to what can, or should, be claimed. The differences between these treatments creates a tax adjustment that will unwind over the useful economic lives of the assets. For the last three years ended 31 March 2021 to 2023, the tax treatment of the Society's fixed assets was less favourable than how we had accounted for it.

2. Interest on society shares is required by Financial Reporting Standard 102 to be included in the statement of equity rather than the profit and loss account. However, this interest is not a distribution of profit but a cost of capital and an expense of the Society and remains tax-deductible.

3. Some business expenses, although entirely appropriate for inclusion in the accounts, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses could be: client entertaining; or fines and penalties.

4. Tax losses from earlier periods can be carried forward and relieved against future profits, so that the correct amount of tax is applied to the overall historic profits generated, and not just for that period. Once the tax losses have all been used, tax will then become chargeable on the profits generated thereafter.

As at 31 March 2023, the Society had no deferred tax assets or liabilities on its Balance Sheet; and had no movements in deferred tax expensed or credited to the Revenue Account.