Fair Tax Mark Statement for Ethical Consumer Research Association Limited (February 2023)

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 community benefit society, limited by shares, originally established in 2008, with the principal activity of publishing information to help people incorporate ethics into their buying decisions and providing research and consultancy services to businesses, charities, and NGOs.

The Society is a not-for-profit multi-stakeholder cooperative made up of worker members and investor members, all of whom share the social and cultural aspiration to challenge corporate power and to help consumers make better choices. All members are entitled to one vote at meetings and members annually elect directors to the board. There were approximately 200 members as at 31 March 2022. Under its rules, the Society's investor members receive reasonable interest on their share capital at a rate determined by the directors. Otherwise, members are not entitled to receive distributions from any surplus. The Society therefore has no beneficial owners.

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 average net profit before tax over the three years ended 31 March 2020 to 2022 was £34,242. The average current tax charge over the three years 2020 to 2022 was £NIL (0.0%). The average expected current tax charge over the three years 2020 to 2022 was £6,506 (19.0%). The reason that the current tax charge for the Society is less than what would be expected, is explained below in the following current tax reconciliation with accompanying narratives:

	£
Average profit before tax	34,242
Average expected corporation tax (19.0%)	**6,506**
1. Accelerated capital allowances	(309)
2. Tax relief for share interest paid	(3,238)
3. Expenses not accountable for tax purposes	15
4. Tax losses utilised	(2,974)
Average current tax charge (0.0%)	**-**

1. The accounting treatment of capital assets is usually different than the tax treatment allowable. This is because, in the accounts, an asset is depreciated over its useful economic life; whereas capital allowances are set rules in tax law applied to the type of asset. The differences, however, between the depreciation charged in the accounts and capital allowances claimed on the corporation tax return, are only timing differences, as eventually, the accumulated depreciation and capital allowances claimed will equal one another.

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 income and expenditure, although entirely appropriate for inclusion in our accounts, are not allowed or are excluded when calculating the tax liability due for the Society. Examples of such are: client entertaining; and 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 2022, 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 income statement.