

## Fair Tax Mark Statement of Ethical Investors (UK) Ltd (April 2019)

This statement of Fair Tax compliance was compiled in partnership with the Fair Tax Mark and certifies that Ethical Investors (UK) Ltd meets the standards and requirements of the Fair Tax Mark's small business standard.



### Tax Policy

Ethical Investors (UK) Ltd 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 our 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 we undertake in 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 company will never undertake transactions that would require notification to H M Revenue & Customs under the Disclosure of Tax Avoidance Schemes Regulations or participate in any arrangement to which it might be reasonable 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 the information that users, including HM Revenue & Customs, might need to properly appraise our tax position.

### Business Information

Since 1989 Ethical Investors has been one of the UK's pioneers of ethical financial advice on ethical, socially responsible and environmental investment. The company is committed to:

- Developing the ethical investment market
- Ensuring that financial products such as ethical pensions, ethical ISAs and ethical investment funds meet the financial and ethical needs of our clients
- Distribute at least 50% of its own net profit to charities and good causes each year.

The Registered Office address (Third Floor, Formal House, 60 St. Georges Place, Cheltenham, Gloucestershire, GL50 3PN) is also the trading address of Ethical Investors (UK) Ltd.

### **Financial Data**

The beneficial owners of shareholdings of more than 10% in the company are Lee Coates and Michael Head.

- During the year ended 30 September 2018, director's remuneration amounted to £9,000. In addition, the director received a dividend payment of £28,146.85 and a £3,410 benefit in kind for a company car. As the company only had one director (Lee Coates) during the period of the last set of accounts, this figure represents the total pay of the highest paid director.
- The average net profit before tax over the three years to 30 September 2018 was £179,208.
- The average actual current tax charge over the three years to 30 September 2018 was £37,783 and the average actual current tax rate over the same period was 21.1%. This is higher than the average expected current tax charge of £34,968 and the average expected current tax rate of 19.5% for the same period. The difference is shown as follows:

|  |                                |
|--|--------------------------------|
| <i>Average profit before tax</i>                                 | <i>£179,208</i>                |
| <b><i><u>Average expected current tax charge (19.5%)</u></i></b> | <b><i><u>(£34,968)</u></i></b> |
| <i>Expenses not deductible for tax purposes</i>                  | <i>(£4,574)</i>                |
| <i>Chargeable gains/ (losses)</i>                                | <i>(£185)</i>                  |
| <i>Capital allowances in excess of depreciation</i>              | <i>£1,019</i>                  |
| <i>Tax credit derived from charitable donations</i>              | <i>£925</i>                    |
| <b><i><u>Average current tax charge (21.1%)</u></i></b>          | <b><i><u>(£37,783)</u></i></b> |

- The average deferred tax charge over the three years to 30 September 2018 was £522, due to fixed assets timing differences.