



Fair Tax Mark Statement for Ethical Investors (UK) Limited (October 2021)

This statement of Fair Tax compliance was compiled in partnership with the Fair Tax Foundation (“FTF”) and certifies that Ethical Investors (UK) Limited (“the Company”) meets the standards and requirements of the FTF’s UK Small Business Standard for the Fair Tax Mark certification.

Our Tax Policy

The Company 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 Company 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.

Our Trading Address

The registered office address of the Company is: Third Floor, Formal House, 60 St. Georges Place, Cheltenham, Gloucestershire, GL50 3PN – and this is also our trading address.

Tax Disclosures

The average net profit before tax over the last three accounting periods (30 September 2018 to 2020) was £191,431. The tax expected on these profits would be £36,372 (19.0%). The Company’s actual average current tax charge over this period was £38,784 (20.3%). The below current tax reconciliation explains why the Company’s average current charges are actually higher than what would be expected.



Fair Tax

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Average profit before tax	191,431
Expected corporation tax (19.0%)	36,372
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¹ Depreciation in excess of capital allowances	1,440
² Expenses not deductible for tax purposes	972
Average current tax charge (20.3%)	38,784

As at 30 September 2020, the Company 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.

¹ **Depreciation in excess of capital allowances** – 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 rate in the accounts and capital allowances claimed in the corporation tax return – are only timing differences – as eventually, the accumulative depreciation and the capital allowances claimed will equal one another.

² **Expenses not deductible for tax purposes** – some business expenses, although entirely appropriate for inclusion in our accounts, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses are: client entertaining; and fines and penalties.