**Ethical Investors (UK) Limited**

**Fair Tax Mark Statement (Jan 2024)**

**This statement of Fair Tax compliance was compiled in partnership with the** [**Fair Tax Foundation**](https://fairtaxmark.net/) **(“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.

**Company Information**

The Company is a private limited company, incorporated in 1993, with the principal activity of providing ethical independent financial planning advice to those who wish to combine their investment needs and personal values when investing their money.

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.

**Our Tax Disclosures**

Our average profit before tax over the last three years ended 30 September 2020 to 2022 was £267,569. The expected tax charge on these profits at the headline rate of 19% would be £50,838 (19.0%). The actual average current tax charge over the same period was £52,140 (19.5%) and the reasons for this being slightly more than expected is explained below in the following tax reconciliation and accompanying footnotes:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | £ |
| Average profit before tax |  |  |  | 267,569 |
| **Average expected corporation tax (19.0%)** |  |  | **50,838** |
|  |  |  |  |  |  |
| [[1]](#footnote-2)Expenses not deductible for tax purposes |  |  |  | 1,135 |
| [[2]](#footnote-3) Depreciation in excess of capital allowances |  |  |  | 167 |
|  |  |  |  |  |  |
| **Average current tax charge (19.5%)** |  |  |  | **52,140** |

As at 30 September 2022, the Company had no deferred tax assets or liabilities on its Statement of Financial Position; and had no movements in deferred tax expensed or credited to the Statement of Comprehensive income.

**Transactions with Directors**

For the year ended 30 September 2022, directors’ remuneration (consisting of salary and pension contributions) amounted to £44,553.

1. **Expenses not deductible for tax purposes** – 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. [↑](#footnote-ref-2)
2. **Depreciation in excess of capital allowances** – 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 year ended 30 September 2022, the tax treatment of our fixed assets was less favourable than how we had accounted for it. [↑](#footnote-ref-3)