Ethical Consumer Research Association Limited
Fair Tax Mark Statement (March 2025)

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 not-for-profit multi-stakeholder cooperative. As of 31 March 2024, the Society had 202 members, including both employee and investor members. Both classes of members are involved in the decision-making of the Society, with one vote each per member, they are able to elect the Society's directors and to vote on other important matters. Investor members are entitled to interest on their investment in the Society at a rate which is no more than is reasonable to attract and retain their investment.

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 surplus before tax over the last three accounting periods ending on 31 March 2024 was £6,849. The expected tax on this average surplus would be £1,302 (19%). However, our average current tax charge for this period was £Nil (0%) and the reasons for this is explained below in the following tax reconciliation and accompanying footnotes:

	£
Average surplus before tax	6,849
Average expected corporation tax (19%)	**1,302**
1. Accounting depreciation in excess of tax capital allowances	1,042
2. Tax relief for share interest paid	(3,316)
3. Tax losses carried forward	1,015
4. Dividend income	(43)
Average current tax charge (0%)	**-**

1. **Accounting depreciation in excess of tax capital allowances** - the accounting and tax treatments of fixed assets are different. For accounting purposes, fixed assets are depreciated over their useful economic lives. For tax, there are specific rules on what can be claimed and when. The differences between these treatments creates a tax adjustment that will unwind over the useful economic lives of the assets. During the period under review, the tax treatment of our fixed assets was less favourable than how we had accounted for them.

2. **Tax relief for share interest paid** - interest on society shares is required by Financial Reporting Standard 102 to be included in the statement of changes in equity rather than the revenue 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. **Tax losses carried forward** - tax losses 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. The Society's latest publicly available financial statements also provide details on its historic tax losses.

4. **Dividend Income** - when a company that is subject to corporation tax pays dividends to its investors, and if one of those investors is another company that is also subject to corporation tax, this income is generally exempt from being subject to corporation tax again.

As at 31 March 2024, 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.