

Registered number
32308R

Fair Tax Mark Limited

Report and Accounts

31 December 2016



Fair Tax Mark Limited Society Information

Legal status

The Fair Tax Mark Ltd is a not-for-profit Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014.

Directors

Richard Murphy
Tim Hunt
Rob Harrison
Paul Monaghan
Joanna Long

Secretary

Rob Harrison

Accountants

Slade & Cooper Ltd
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Registered office and trading address

Unit 21
41 Old Birley Street
Manchester
M15 5RF

Registered number

32308R

Fair Tax Mark Limited**Registered number: 32308R****Directors' Report**

The Directors present their report and accounts for the year ended 31 December 2016.

Directors

Richard Murphy
Tim Hunt
Rob Harrison
Paul Monaghan
Joanna Long

Review of the business

The Fair Tax Mark's third year of trading saw further growth and impact in 2016.

The desire of the UK public to see business pay the right amount of tax in the right place at the right time is as strong as ever - in fact the latest polling from the Institute for Business Ethics found concern to be at it's highest recorded level yet. During 2016, we developed and launched a new supporter's pack and revamped our marketing brochure. The continued plethora of stories in the national press across the world demonstrate that tax avoidance is still all too prevalent and that our aims and objectives are as valid as when we launched in February 2014.

We did not hit our target to generate a trading surplus during the year, but we are confident that this will be realised in 2017. The number of Fair Tax Mark certified businesses has increased once again (to 25, February 2017), with the addition of Richer Sounds giving the public another high-street chain in which they can shop with confidence. Crucially, every business certified to date has continued to pursue accreditations in subsequent years - which is a testimony to the value of the Fair Tax Mark.

We were delighted to receive a £10,000 grant for the Joffe Charitable Trust, and this was used to work with Christian Aid on a campaign to persuade councils to factor 'tax' into their public procurement. This campaign was wonderfully well received - with councils across the country not only debating the issue, but making substantive changes to their procurement procedures - but it influenced the UK Government to issue a new requirement on all councils in England, Wales and Northern Ireland which stipulates that they must question potential suppliers on any recent history of tax evasion and avoidance. This was a highly significant piece of campaigning and demonstrates that by bringing together businesses, NGOs and consumers, the Fair Tax Mark is able to make a unique contribution to the debate on tax.

Looking forward, our capacity has been increased considerably by a £45,000 grant from the Joseph Rowntree Charitable Trust. This has enabled us to recruit an accountant to increase the volume of accreditation we can process, and will be used to market our Fair Tax scheme to further new audiences. In early 2017, for example, it allowed us to launch a fair tax mark map, a tool created to help consumers easily locate the 1,500 accredited shops and offices across the UK that have gained the Mark. This covers everything from supermarkets to pharmacies, coffee companies to IT support. The last year has also seen the Fair Tax Mark begin to engage with investment management firms seeking our advice on best practice for their engagement with investee companies and this too is an exciting new area for us to pursue in the next 12 months.

We are looking forward to a making the case for Fair Tax in 2017 and beyond.

Fair Tax Mark Limited**Registered number: 32308R****Directors' Report****Principal activities**

The Objects of the Fair Tax Mark Ltd, as set out in our Rules, strongly inform our Principal Activities. These are based around providing a trusted and recognised certification mark for company tax fairness and transparency assessments – which often leads us to advise business on how to improve their tax policies, reporting and governance. We are also endeavouring to build a like-minded Fair Tax community of business' and consumers, and are seeking to influence the broader political debate on the need for improved tax transparency and reporting.

Tax policy

We are 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 (but no more), at the right rate, 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 actually undertake in the course of our trade.

What we will not ever do is 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. As a result 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 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 all that information that users, including HM Revenue & Customs, might need to properly appraise our tax position.

The Board shall be responsible for overseeing the application of this policy.

The Board will review this policy with our accountants annually to ensure that it is complied with.

Fair Tax Mark Limited

Registered number: 32308R

Directors' Report

Statement of responsibilities of the society's directors

The law governing Co-operative and Community Benefit Societies requires the society to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the balance sheet date and of its income and expenditure for the year then ended. In preparing those financial statements, the society is required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent.
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the co-operative will continue in business.

The society is responsible for keeping proper books of account such as are necessary to give a true and fair view of the society's state of affairs and to explain its financial transactions. The society must also establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances, and hence is responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Directors on 4 July 2017 and signed by its order.

Rob Harrison
Secretary



Fair Tax Mark Limited
Revenue Account
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover		78,297	78,531
Administrative expenses		(93,375)	(76,567)
Operating (loss)/profit		<u>(15,078)</u>	<u>1,964</u>
Interest receivable		33	63
Interest payable		(4,344)	(4,275)
Loss on ordinary activities before taxation		<u>(19,389)</u>	<u>(2,248)</u>
Tax on loss on ordinary activities	3	-	-
Loss for the financial year		<u>(19,389)</u>	<u>(2,248)</u>

Fair Tax Mark Limited
Registered number:
Balance Sheet
as at 31 December 2016

32308R

	Notes	2016 £	2015 £
Current assets			
Debtors	4	10,265	7,622
Cash at bank and in hand		69,278	81,925
		<u>79,543</u>	<u>89,547</u>
Creditors: amounts falling due within one year			
	5	(40,005)	(35,424)
Net current assets		<u>39,538</u>	<u>54,123</u>
Net assets		<u>39,538</u>	<u>54,123</u>
Capital and reserves			
Called up share capital		89,302	84,498
Profit and loss account		(49,764)	(30,375)
Shareholders' funds		<u>39,538</u>	<u>54,123</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

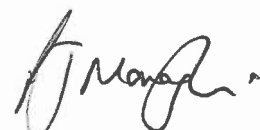
Approved by the Management Committee and signed on their behalf by:



Joanna Long
Director



Rob Harrison
Secretary



Director

4 July 2017
Date of approval

Fair Tax Mark Limited
Notes to the Accounts
for the year ended 31 December 2016

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102 1A, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Transition to FRS 102

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102 as applied to small entities by section 1A. The date of transition is 1 January 2015. The transition has not resulted in any material changes in accounting policies to those used previously.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Grants

Revenue grants are recognised when received. Unspent revenue grants are carried forward as deferred income.

2 Employees

	2016	2015
	Number	Number
Average number of persons employed by the society	<u>2</u>	<u>2</u>

3 Taxation

	2016	2015
	£	£
UK Corporation Tax charge for the year	<u>-</u>	<u>-</u>

No tax was payable due to the losses made. The tax losses carried forward which are available to set against future profits are £48,764.

The company has no deferred tax liabilities. The deferred tax asset arising from the accumulated losses has not been recognised for accounting purposes.

4 Debtors

	2016	2015
	£	£
Trade debtors	10,199	7,559
Prepayments	66	63
	<u>10,265</u>	<u>7,622</u>

Fair Tax Mark Limited
Notes to the Accounts
for the year ended 31 December 2016

5 Creditors: amounts falling due within one year	2016	2015
	£	£
Unissued Shares paid up	-	1,000
Deferred Income	10,612	10,181
Accruals	12,153	3,944
Trade creditors	3,375	5,102
Other taxes and social security costs	4,652	6,311
Loan from Ethical Consumer Research Association Ltd	6,863	6,536
Loan from Richard Murphy	2,350	2,350
	<u>40,005</u>	<u>35,424</u>

6 Related party transactions

Ethical Consumer Research Association Limited (ECRA)

Rob Harrison, Leonie Nimmo and Tim Hunt are directors of Fair Tax Mark Limited and of ECRA. During the year ECRA made the following charges to Fair Tax Mark Limited:

	2016	2015
	£	£
Office expenses and staff costs recharged	£ 10,206	£ 8,664
	<u>£ 10,206</u>	<u>£ 8,664</u>

The balances owing to ECRA at the year end were as follows:

	2016	2015
	£	£
Accrued charges for office expenses and wages	-	2,366
Loan	6,000	6,000
Accrued interest on loan	863	536
Less: grant funding due	-	-
	<u>£ 6,863</u>	<u>£ 8,902</u>

The loan from ECRA is accruing interest at 5% per annum.

Consultancy fees paid to directors

	2016	2015
	£	£
The following directors were paid consultancy fees during the year:		
Paul Monaghan	9,792	9,796
	<u>9,792</u>	<u>9,796</u>

The balance due at the balance sheet date was £2,957 (2015: £nil). All fees were paid at arm's length value.

Directors' shares

All directors have been each allotted ten shares, which are fully paid. These shares attract interest at the same rate as all other shares.

Fair Tax Mark Limited
Notes to the Accounts
for the year ended 31 December 2016

7 Other information

Fair Tax Mark Limited is incorporated in the United Kingdom as a registered society under the Co-operative and Community Benefit Societies Act 2014. Its registered office is:

Unit 21
41 Old Birley Street
Manchester
M15 5RF

8 Share Capital	2016	2015
	£	£
Shares of £1 each issued and fully paid at 1 January 2016	84,498	74,434
Shares issued during the year	1,000	6,100
Shares issued in payment of interest 31/12/16	4,018	3,964
Share capital cancelled	(214)	-
Shares of £1 each issued and fully paid at 31 December 2016	<u>89,302</u>	<u>84,498</u>