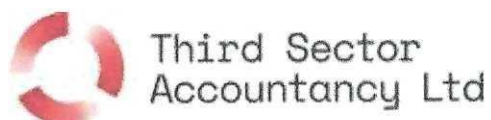




**FAIR TAX FOUNDATION LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



Fair Tax Foundation Limited
Contents
for the year ended 31 December 2022

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Fair Tax Foundation Limited
Society Information
for the year ended 31 December 2022

Directors	Chris Harrop	
	Rob Harrison	
	Rachel McEwen	
	Tim Hunt	RESIGNED 09/01/2023
	Harriet Lamb	
	Christian Hllum	APPOINTED 07/10/2022

Society Number 32308R

Register Office Holyoake House
Hanover Street
Manchester
M60 0AS

Accountants Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

Fair Tax Foundation Limited
Directors' Report
for the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Review of the Business

The Fair Tax Mark accreditation scheme was launched in February 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. Tax contributions are a key part of the wider social and economic contribution made by business, helping the communities in which they operate to deliver valuable public services and build the infrastructure that paves the way for growth. Accredited businesses include listed PLCs, co-operatives, social enterprises and large private business. The Global Multinational Business Standard was launched towards the end of 2021, enabling multinationals headquartered outside of the UK to be accredited for the first time. The Fair Tax Foundation operates as a not-for-profit social enterprise and believes that companies paying tax responsibly should be celebrated, and any race to the bottom resisted. Other initiatives include Fair Tax Week and the Councils for Fair Tax Declaration. <https://fairtaxmark.net>

The Fair Tax Foundation's ninth year of trading saw a further increase in growth and impact, and the generation of a sixth consecutive trading surplus – which will be reinvested back into our operations and mission fulfilment.

Income was up 29% (to £432k), split 61% commercial income and 39% grants and miscellaneous. Costs rose by 33% (to £431K), as we continued to grow our team, expand our operational activities and better remunerate employees. Capital / reserves rose to £133k, and continues to exceed share capital (at £121k). Income and costs are anticipated to increase significantly in 2023 as we accelerate our growth, and a small deficit has been budgeted for.

This was the year that our internationalisation began in earnest. Following on from 2021's Vattenfall accreditation, we added Atlantia (now called Mundys) from Italy, Unite from Germany, and Ørsted from Denmark. We also welcomed our first board member from outside the UK, Christian Hallum from Denmark, who co-leads Oxfam's tax justice work. Huge thanks go to Luminare for substantially enabling our international growth through 2022.

The number of Fair Tax certified parent businesses rose by a fifth during the year, to 85. These encompass multiple trading brands in many instances (for example, Johnsons the Cleaners and Max Spielmann are covered by the Timpson group accreditation) and we have a new project underway to more fully scope the scale of our social impact. Recent new UK-based announcements include Watches of Switzerland, Coventry Building Society, Jupiter Fund Management, Schroders Personal Wealth, Elmdene Group, Epwin Group, Meter Manager, Wolf&Player, Royal Yachting Association, Viva IT, Eco Animal Health, Alex Mann Solutions, and three accountancy firms - Brett Nicholls Associates, Numbercrunchers, and Third Sector Accountancy.

Another area of growth was the number of UK municipalities supporting our Councils for Fair Tax (CfFT) Declaration, which rose from 17 to 43. New CfFT councils include Northumberland, Newcastle, Preston, Dundee, Westminster and Derbyshire Dales. Growth was driven, in part, by a campaign partnership with Tax Justice UK, which led to 18,000 emails being sent by residents to their local councillor urging action. Every single local authority in the UK was contacted, and many of the resulting motions secured unanimous all-party support. Our localities work was generously funded by The Barrow Cadbury Trust and we are also grateful to have received funding from Trust for London to work closely with businesses and public institutions in Greater London.

Fair Tax Foundation Limited
Directors' Report (continued)
for the year ended 31 December 2022

In June, we organised our annual Fair Tax Week, which celebrates companies and councils that are proud to promote responsible tax conduct and pay their fair share of tax. For the first time in three years, we were able to gather in-person for a conference in London that featured speakers from a range of organisations and backgrounds. The week also featured a number of well-attended online events and dozens of Fair Tax Mark businesses sharing what it means to be accredited. We were very grateful to Leeds Building Society and Pennon Group for sponsoring the week.

We grew our accreditation and operations teams further during the year, took on extra office space and secured Living Wage accreditation.

By and large, the Fair Tax Foundation focuses on encouraging and recognising business that pay the right amount of corporation tax at the right time and in the right pace. But when substantive injustice needs to be exposed (such as with our Silicon Six work, for which we thank Joffe Trust for their support), we will engage with society in a polite and constructive manner. Not least, as it presents a fresh opportunity to talk about the great work of our accredited Fair Tax Mark businesses! During 2022, we engaged positively on areas as diverse as the UK headline rate of corporation tax, the European Union's public country-by-country reporting proposals, the new OECD Global Minimum Standard and the need for public registers of beneficial ownership across the globe. The terrible invasion of Ukraine by Russia has also precipitated us to work more closely with anti-corruption groups, especially in the context of the UK's Economic Crimes Bills which seek to tackle the problem of the UK being a global hub for illicit finance, money laundering and tax avoidance.

We are grateful to all the businesses and grant funders who have supported us in 2022 and enabled this to be our best year yet. We believe that accreditation standards, think tanks and public policy campaigns should be open and honest as to their sources of grant funding, which is once again detailed on our website alongside our Financial Statements at <https://fairtaxmark.net/aboutus/>

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under society law the directors must not approve the financial statements unless they are satisfied that they:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fair Tax Foundation Limited
Directors' Report (continued)
for the year ended 31 December 2022

Principle Activity

The objectives of the Fair Tax Foundation Ltd, as set out in our Rules, strongly inform our Principle Activities. These are based around providing a trusted and recognised accreditation scheme for corporate tax fairness - 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 businesses 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 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.

The board shall be responsible for overseeing the application of this policy, and can confirm that it has been complied with over the past year.

Directors

The directors who held office during the year were as follows:

Chris Harrop

Rob Harrison

Rachel McEwen

Tim Hunt

RESIGNED 09/01/2023

Harriet Lamb

Christian Hallum

APPOINTED 07/10/2022

On behalf of the board

.....
Rob Harrison

Director

Date

21/4/23

Fair Tax Foundation Limited
Accountant's Report
for the year ended 31 December 2022

Independent reporting accountant's report to the Directors on the unaudited accounts of Fair Tax Foundation

We report on the accounts for the year ended 31 December 2022 set out on pages 6 to 15.

Respective responsibilities of the committee of management and the independent reporting accountant

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- o the revenue account and balance sheet for year ended 31 December 2022 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- o having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 December 2022 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- o the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Signed

Third Sector Accountancy Limited

Third Sector Accountancy
Date

Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

27 / 04 / 2023

Fair Tax Foundation Limited
Revenue Account
for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		430,547	325,306
Gross Profit		430,547	325,306
Administrative expenses		(427,539)	(320,085)
Other operating income		72	10,017
		<hr/>	<hr/>
Operating Profit		3,080	15,238
Other interest receivable and similar income		1,043	331
		<hr/>	<hr/>
Profit before taxation		4,123	15,569
Tax on profit	3	-	(592)
		<hr/>	<hr/>
Profit after taxation being profit for the financial year		4,123	14,977
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 14 form part of these financial statements.

Fair Tax Foundation Limited
Balance Sheet
for the year ended 31 December 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	4		10,908		11,456
Total fixed assets			10,908		11,456
Current assets					
Debtors	5	56,316		57,772	
Cash at bank and in hand		178,539		173,062	
Total current assets		234,855		230,834	
Liabilities					
Creditors: amounts falling due in less than one year	6	(112,819)		(113,509)	
Net current assets			122,036		117,325
Total assets less current liabilities			132,944		128,781
Net assets			132,944		128,781
Capital and reserves					
Share capital	7		120,758		116,973
Revenue account			12,186		11,808
Total shareholders' funds			132,944		128,781

For the year ending 31 December 2022 the society was entitled to disapply the requirement to have its financial statements for the financial year audited. The members passed a resolution in general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

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

Approved by the board on 21/4/23 and signed on their behalf by:



(Chris Harrop, Director)



(Rob Harrison, Secretary)

Rachel McEwen

(Rachel McEwen, Director)

Fair Tax Foundation Limited
Statement of Changes in Equity
for the year ending 31 December 2022

	Share capital £	Profit and Loss Account £	Total £
At end date and start date 1 January 2021	113,326	505	113,831
Profit for the year and total comprehensive income	-	14,977	14,977
Interest paid on members' shares	-	(3,674)	(3,674)
New shares issued to members	3,647	-	3,647
At end date 31 December 2021 and start date 1 January 2022	116,973	11,808	128,781
Profit for the year and total comprehensive income	-	4,757	4,757
Interest paid on members' shares	-	(3,745)	(3,745)
New shares issued to members	3,785	-	3,785
As at 31 December 2022	120,758	12,820	133,578

Interest on society shares is required by Financial Reporting Standard 102 to be included in the statement of equity rather than in the Revenue account. However, this interest is not a distribution of profit but a cost of capital and an expense of the business, and remains tax-deductible.

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

1.2 Turnover

Turnover represents Fair Tax Trademark assessments, licence fees and other services charged to customers, as well as sponsorship and grant income recognised in the period. Licence fees are invoiced annually in advance and recognised on an accruals basis; amounts relating to future periods are deferred. Donations are represented as "Other operating income". Grants towards activities over a specific period are recognised in the Revenue account over that period.

1.3 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	25%
Computer Equipment	33.33%

1.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the revenue account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The society's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Fair Tax Foundation Limited
Notes to the accounts for the year ended 31 December 2022 (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Society expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in the revenue account, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2 Average Number of Employees

Average number of employees, including directors, during the year was as follows: 8 (2021: 6)

3 Tax on Profit

	2022	2021
	£	£
UK Corporation Tax	-	592
	<hr/>	<hr/>
Total Current Tax	-	592
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2022, the Society had no deferred tax assets or liabilities on its balance sheet (2021: £nil); and had no movements in deferred tax expensed or credited to the Revenue Account. Therefore, any Tax on Profit expense in the Society's Revenue Account is made up solely of Corporation Taxes due on the current year's trading profits.

Fair Tax Foundation Limited
Notes to the accounts for the year ended 31 December 2022 (continued)

Current Tax Reconciliation

The Corporation Tax rate for 2022 was 19% (2021: 19%). The Tax on Profit expense in the year is lower (2021: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

	2022	2021
	£	£
Profit before Tax	4,123	15,569
Taxation at the standard Corporation Tax rate (19%; 2021: 19%)	783	2,958
Depreciation vs capital allowances	(343)	(1,668)
Interest on members' shares	(719)	(698)
Tax losses carried forward	279	-
	-	592
Tax on Profit	-	592

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. For both the current and previous year, the tax treatment of the Society's fixed assets was more favourable than how the Society had accounted for it.

Interest on society shares is required by Financial Reporting Standard 102 to be included in the statement of equity rather than in the Revenue account. However, this interest is not a distribution of profit but a cost of capital and an expense of the business, and remains tax-deductible. Therefore, trading profit before tax of £4,123, does not take into account the £3,745 paid to members in respect of interest, which equates to £719 net of tax.

The combination of the depreciation vs capital allowances adjustment, and the tax allowable deduction of interest paid to members, has resulted in a taxable loss of £1,466 (£279 net of tax), which has been carried forward in order to be potentially offset against any future taxable profits.

Fair Tax Foundation Limited
Notes to the accounts for the year ended 31 December 2022 (continued)

4 Fixed assets: tangible assets

Cost	Fixtures & Fittings £	Computer equipment £	Total £
At 1 January 2022	11,386	10,473	21,859
Additions	3,642	2,407	6,049
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	15,028	12,880	27,908
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2022	3,316	7,087	10,403
Charge for the year	3,601	2,996	6,597
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	6,917	10,083	17,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2022	8,111	2,797	10,908
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	8,070	3,386	11,456
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 Debtors

	2022 £	2021 £
Trade debtors	50,768	54,564
Prepayments and accrued income	5,548	3,208
	<hr/>	<hr/>
	56,316	57,772
	<hr/> <hr/>	<hr/> <hr/>

Fair Tax Foundation Limited
Notes to the accounts for the year ended 31 December 2022 (continued)

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	8,219	5,391
Corporation tax	-	592
Taxation and social security costs	13,968	19,387
Accruals and deferred income	90,632	88,139
	112,819	113,509
	112,819	113,509

7 Share Capital

	2022 £	2021 £
Members' shares	120,758	116,973
	120,758	116,973
	120,758	116,973

8 Related Party Transactions

Rob Harrison and Tim Hunt are directors of Fair Tax Foundation Limited and of Ethical Consumer Research Association Limited (ECRA). During the year ECRA made the following charges to Fair Tax Foundation Limited on normal commercial terms:

	2022 £	2021 £
Office expenses and staff costs recharged	3,956	8,310
Project consultancy	1,440	5,120
Marketing	4,995	-
	10,391	13,430
	10,391	13,430

The value of ECRA's shareholding in Fair Tax Foundation Limited, including interest, is £8,599 (2021: £8,328).

Tim Hunt received a payment of £300 for "AV Support for Fair Tax Conference 2022" in June 2022 on normal commercial terms.

Fair Tax Foundation Limited
Notes to the accounts for the year ended 31 December 2022 (continued)

9 Grants

	Barrow Cadbury	Luminate	Joffe	Trust for London	Total
Total grants b/f	6,825	28,550	3,125	1,812	40,312
Total new grants received	14,050	75,970	12,500	30,225	132,745
Total grants spent	(20,875)	(104,520)	(12,500)	(19,500)	(157,395)
	-----	-----	-----	-----	-----
Total grants c/f	-	-	3,125	12,537	15,662
	=====	=====	=====	=====	=====

10 General Information

Fair Tax Foundation Limited is a community benefit society, limited by shares, incorporated in England & Wales, registered number 32308R. The registered office is Holyoake House, Hanover Street, Manchester, M60 0AS