



Fair Tax Foundation Limited

Directors' report and financial statements

For the year ended 31 December 2025



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Contents

Page

Society Information	1
Directors' Report	2–9
Accountant's Report	10–11
Revenue Account	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15–19

Society Information

Directors



Rob Harrison



Hannah Wickes
Appointed 12/06/2025



Chris Harrop OBE



Penny Hogan
Appointed 12/06/2025



Rebecca Hurford
Appointed 12/06/2025



Christian Hallum



Rachel McEwen
Resigned 12/06/2025



Harriet Lamb CBE
Resigned 21/03/2025

Society Number

32308R

Registered Office and trading address

Holyoake House
Hanover Street
Manchester
M60 0AS

Accountants

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

Directors' Report

The Directors present their report and the financial statements for the year ended 31 December 2025.

Business Review

Despite a challenging funding environment in 2025, the Fair Tax Foundation continued to make strong strategic progress as it began its transition towards becoming a larger, more commercially-driven social enterprise. Commercial revenue grew strongly during the year, underpinned by the successful expansion of our new benchmarking product, the Tax Responsibility and Transparency Index, which was progressed by 17 multinational businesses. A further eight organisations achieved Fair Tax Mark certification for the first time, while the Foundation expanded its trading presence across twelve countries. This growing international reach is expected to strengthen further with the launch of our new National Business Standard in 2026. While a reduction in grants income contributed to a small operating deficit, the first in a decade, this had been anticipated as part of the Foundation's strategic pivot towards a more diversified and sustainable revenue model.

The [Fair Tax Foundation](#) launched in 2014 and operates as a not-for-profit social enterprise. We believe companies demonstrating responsible tax practices should be recognised and celebrated, and any global race to the bottom on corporate income tax resisted. Tax avoidance doesn't just rob public services of vital revenue, it also undermines the ability of business to compete fairly, reduces national productivity and exacerbates inequality.

We have developed the [Fair Tax Mark](#) (FTM), the world's first certification for responsible tax conduct, which is now widely regarded as being the gold standard for business worldwide. Certification has been secured by 275 businesses, which together employ more than 475,000 people and contribute £4.1bn / €4.8bn pa in corporate income tax worldwide. Our progressive community has grown to embrace businesses headquartered in the UK, Denmark, Germany, Finland, Italy, Spain, Sweden and the Netherlands.

We also run the [Tax Responsibility and Transparency Index](#) (TRTI), which enables multinational businesses to benchmark themselves against high-bar civil society frameworks, pending legislation and pioneering companies in five key areas of tax conduct. To date, 21 large multinationals, headquartered in ten countries, have now undertaken TRTI benchmarking, who between them employ 1.75mn people and contribute in excess of €30bn pa of corporate income tax.

Other initiatives include [Fair Tax Week](#), the [Public Country-by-Country Reporting Information Hub](#), and the [Councils for Fair Tax Declaration](#).

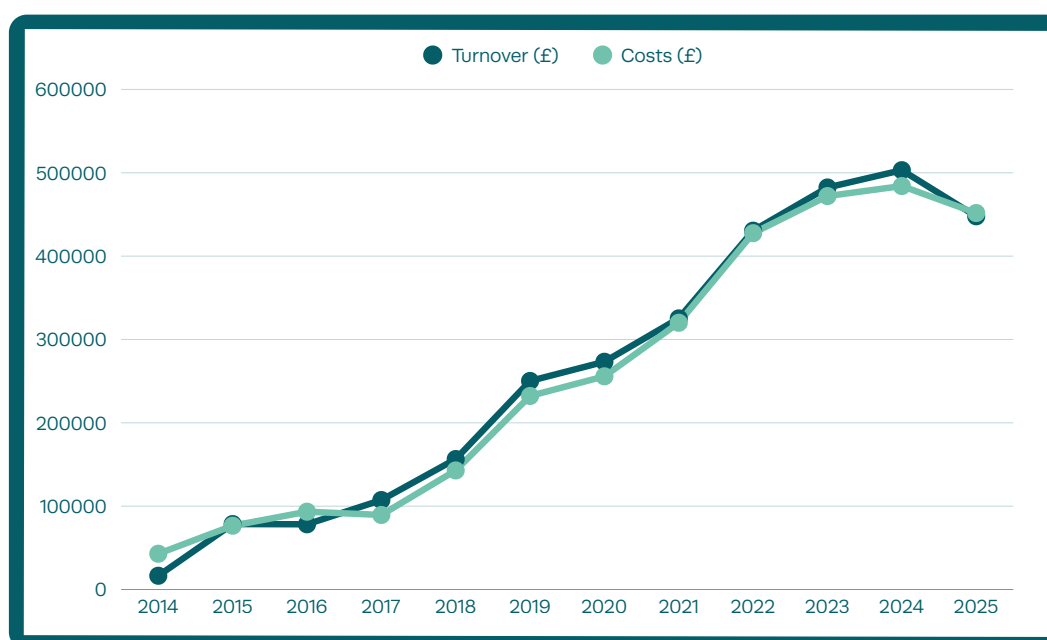
Directors' Report

Financial Performance, 2025

In 2025, we saw our first ever year-on-year fall in turnover (down 11%, to £447.8k), following a £100k drop-off in grant funding. We have found it increasingly difficult to secure grant funding in recent years.

More positively, commercial income grew 12%, surpassing £400k for the first time. Commercial income made up 90% of turnover. Commercial growth has been underpinned by the take-off of our new benchmarking product, the TRTI, which was progressed by 17 multinationals during the year.

The Fair Tax Foundation had a trading presence in a record 12 countries during 2025.



Costs reduced by 7%, to £451.7k, largely as a result of shrinkage in the communications function. AI has enabled us to now undertake graphic design in-house, among other efficiencies. Communications resourcing will be re-visited in parallel to the creation of a new business development function. Operating profit swung from a £19.2k surplus in 2024 to a £3.7k loss in 2025.

The surplus on a pre-tax and pre-shareholder interest basis was £18.7k for 2025.

Capital and reserves rose to £650.1k at year end, of which £647.9k was shareholder members' capital. These reserves, thanks to investment by our members, give us a solid platform to plan and invest in future growth.

Directors' Report

Community shares are withdrawable, meaning the funds belong to our shareholder members and are expected to be repaid over time. The funds are earmarked for investment in the growth of our commercial activities. They cannot be freely used for non-commercial research and advocacy work. Grant funding is needed to enable us to dedicate substantial time and resources to such activities.

Towards the end of 2025 we added two new members of staff to the technical / accreditations team. These two, highly numerate graduates are being trained in-house and will ensure that the team is able to cost-efficiently progress any and all future business enquiries. During the latter part of 2026 we can then progress the development of a business development function to drive further growth.

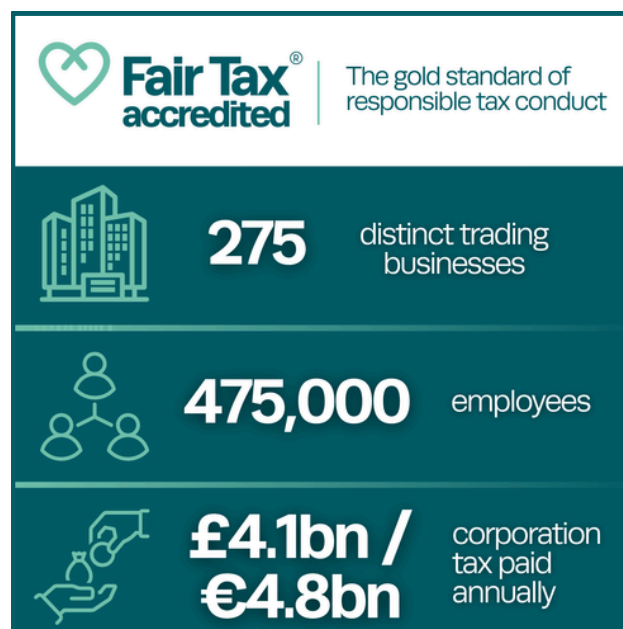
We also laid the groundwork for a further diversification of our product offerings. We will launch a new FTM National Business Standard during 2026. This will enable businesses that operate outside the UK, and trade in a single country, to be certified for the first time. We have also built a world-leading corporate public country-by-country report tracker, and we are in discussion with a number of universities across the world about access and usage rights.

Fair Tax Mark certification

The [FTM](#) is the gold standard of responsible tax conduct, certifying that a business:

- seeks to follow the spirit, as well as the letter of the law
- shuns corporate tax avoidance such as the artificial use of tax havens
- is transparent about profits made and taxes paid.

Eight parent companies became newly FTM certified during the year. We were delighted to welcome our third Spanish multinational Amadeus, ethical bank Triodos from the Netherlands, and our largest FTM business yet by number of employees, Mitie. As well as Lawsons, Bayesian Shift, WR Ethical, EarthMind CIC, and Odyssey Contractor Solutions.



Directors' Report

Tax Responsibility and Transparency Index

The [TRTI](#) enables multinational enterprise (MNEs) to benchmark themselves against high-bar civil society frameworks, pending legislation and pioneering companies in five key areas of tax conduct. The year 2025 was its first full year, and with 17 companies assessed we took the total number of indexed businesses to 21.

These MNEs, headquartered in 10 countries, have a combined income of €625bn, employ 1.75mn people and contribute in excess of €30bn pa of corporate income tax.

Social impact

FTF remains unique in its ability to mobilise business of all types and sizes for the cause of tax justice. By and large, we focus on encouraging and recognising business that pay the right amount of corporate tax at the right time and in the right place. Our impact is therefore currently largely seen through the 275 businesses that we support in their responsible tax journey with the FTM. Increasingly, businesses publicly progressing the TRTI can be added to these (such as Fortum and Iberdrola).

The Tax Responsibility and Transparency Index is a great opportunity to set some sort of benchmark for ourselves. You need to always be hungry to be a little bit better. 'Perfect' is something that will never be in place, but [you can] be a bit better and say now we are good enough.

Reijo Salo, Vice-President Corporate Tax, Fortum

Our social impact goes beyond our commercial activities, however. When we receive funding to do so, we will engage with society to progress the cause of responsible tax conduct – not least because it presents fresh opportunities to talk about the important work of FTM certified businesses. Although total grant funding decreased in 2025, Trust for London supported us to continue expanding Councils for Fair Tax and other activities in London.

We also provided research and advice to a collaboration of investors from around Europe who wish to identify the key tax risks associated with a collection of large, European listed businesses. Global Compact recently announced us as a knowledge partner in their [European Alliance Against Illicit Financial Flows](#).

Directors' Report

While our communications remain overwhelmingly positive and celebratory of responsible corporate tax conduct, we do (on a limited basis) provide analysis and commentary on significant instances of tax avoidance and tax evasion. This has included recently helping bring to light and support critical analysis connected to Amazon, Caterpillar, Merck, Meta, Pepsico, Shein, Starbucks, Temu and Roman Abramovich's offshore network.

As our international reach expands, we have seen a surge in media inquiries from technical tax and accounting outlets. During the year we helped unpack a range of stories connected to the global minimum tax, digital services taxes and the generally regressive tax positions being taken by the Trump administration. Our work on tracking tax transparency and the roll-out of public country-by-country reporting across Europe was recognised by International Tax Review when they named our Chief Executive among their [top 50 global influencers in 2025](#).

We also produced significant reports on:

- [Why corporate income tax is the most critical of all taxes](#)
- [Why small business tax dodgers should be as big a concern as big business tax avoidance](#)
- [The global minimum tax: why it should be celebrated, despite its shortcomings](#)

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 businesses 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.

Directors' Report

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' Report

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 give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors' Report

Directors

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

Rob Harrison
Chris Harrop OBE
Christian Hallum
Rachel McEwen
Harriet Lamb CBE
Hannah Wickes
Penny Hogan
Rebecca Hurford

On behalf of the board



Rob Harrison
Director
Date: 21/05/2026

Accountant's Report

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 2025 set out on pages 12 to 19.

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:

- the revenue account and balance sheet for year ended 31 December 2025 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;
- 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 2025 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- 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.

Accountant's Report

Signed

Third Sector Accountancy Limited

Third Sector Accountancy Limited

Date

21/05/2026

Holyoake House
Hanover Street
Manchester
M60 0AS

Revenue Account

	Note	2025 £	2024 £
Turnover		447,810	503,119
Gross Profit		447,810	503,119
Administrative expenses		(451,698)	(484,111)
Other operating income		148	165
Operating Profit		(3,740)	19,173
Other interest receivable and similar income		22,452	6,877
Profit before taxation		18,712	26,050
Tax on profit	3	3,302	(3,554)
Profit after taxation being profit for the financial year		22,014	22,496

The notes on pages 15 to 19 form part of these financial statements.

Balance Sheet

	Note	2025	2024
		£	£
Fixed assets			
Tangible assets	4	1,241	1,632
Total fixed assets		1,241	1,632
Current assets			
Debtors	5	89,032	107,793
Cash at bank and in hand		684,116	692,426
Total current assets		773,148	800,219
Liabilities			
Creditors: amounts falling due in less than one year	6	(124,335)	(173,820)
Net current assets		648,813	626,399
Total assets less current liabilities		650,054	628,031
Net assets		650,054	628,031
Capital and reserves			
Share capital	7	647,859	611,836
Revenue account		2,195	16,195
Total shareholders' funds		650,054	628,031

For the year ending 31 December 2025 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 21/05/2026 and signed on their behalf by:



(Chris Harrop OBE, Director)



(Penny Hogan, Director)



(Rob Harrison, Secretary)

Statement of Changes in Equity

	Share capital £	Profit and Loss Account £	Total £
At end date 31 December 2023 and start date 1 January 2024	113,664	20,780	134,444
Profit for the year and total comprehensive income	–	22,496	22,496
Interest paid on members' shares	–	(5,029)	(5,029)
New shares issued to members	498,172	–	498,172
Share issue costs	–	(22,052)	(22,052)
At end date 31 December 2024 and start date 1 January 2025	611,836	16,195	628,031
Profit for the year and total comprehensive income	–	22,014	22,014
Interest paid on members' shares	–	(36,014)	(36,014)
New shares issued to members	36,043	–	36,043
Shares repaid to members	(20)	–	(20)
As at 31 December 2025	647,859	2,195	650,054

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.

Notes to the accounts for the year ended 31 December 2025

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.

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.

Notes to the accounts for the year ended 31 December 2025 (continued)

1.5 Grants

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the revenue account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the revenue account over the useful life of the asset concerned.

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

All grants in the revenue account are recognised when all conditions for receipt have been complied with.

2 Average Number of Employees

Average number of employees, including directors, during the year was as follows: 7.6 (2024: 8.4)

3 Tax on Profit

	2025 £	2024 £
UK Corporation Tax	(3,269)	3,554
Adjustments in respect of prior years	(33)	–
Total Current Tax	(3,302)	3,554

Current Tax Reconciliation

For the year ended 31 December 2025, the Society recorded a tax loss. As corporation tax due for the prior year exceeded these tax losses, the Society was able to carry back the losses in full. Consequently, a current tax credit is reflected within the Revenue Account. Details regarding the tax adjustments during the year that led to the Society's tax loss position are explained below:

	2025 £	2024 £
Profit before Tax	18,712	26,050
Corporation tax at the small profits rate (19%)	3,555	4,950
1. Adjustments in respect of prior years	(33)	–
2. Depreciation vs capital allowances	18	890
3. Interest on members' shares	(6,842)	(956)
Non-taxable grant income	–	(1,330)
Current tax charge/ (credit)	(3,302)	3,554

Notes to the accounts for the year ended 31 December 2025 (continued)

- 1 The corporation tax charge in the Society's 2024 accounts was very slightly overstated compared with the actual amount due once the corporation tax return was submitted. Therefore, a small prior year adjustment was required for the current year.
- 2 The treatment of fixed assets is different for accounting and tax purposes. For accounting purposes, fixed assets are depreciated over their useful economic lives. For tax purposes, there are specific rules on what can be claimed and when (capital allowances). These differences usually create tax adjustments. However, these tax adjustments are only timing differences, as eventually the total depreciation charged in the accounts will match the total capital allowances claimed in the tax returns. The Society has not made a provision in its accounts in relation to these timing differences (i.e. no deferred tax has been accounted for).
- 3 Interest on society shares is required by Financial Reporting Standard 102 to be included in the Statement of Changes in Equity rather than in the Revenue Account. However, this interest is not a distribution of profit; it is a cost of capital and an expense of the business, and remains tax-deductible. Therefore, the Society's profit before taxation of £18,712 does not take into account members' interest of £36,014. This resulted in a tax adjustment of £6,842 (£36,014 x 19%) for the current year.

As at 31 December 2025, the Society had no deferred tax assets or liabilities on its balance sheet (2024: £nil). The Society also does not have any uncertain tax positions.

4 Fixed assets: tangible assets	Fixtures & Fittings	Computer equipment	Total
Cost	£	£	£
At 1 January 2025	15,332	14,614	29,946
Additions	236	1,482	1,718
At 31 December 2025	15,568	16,096	31,664
Depreciation			
At 1 January 2025	14,277	14,037	28,314
Charge for the year	919	1,190	2,109
At 31 December 2025	15,196	15,227	30,423
Net book value			
At 31 December 2025	372	869	1,241
At 31 December 2024	1,055	577	1,632

Notes to the accounts for the year ended 31 December 2025 (continued)

5 Debtors

	2025 £	2024 £
Trade debtors	52,929	99,873
Prepayments and accrued income	32,834	7,920
Corporation tax	3,269	-
	<u>89,032</u>	<u>107,793</u>

6 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	190	15,219
Corporation tax	-	3,554
Taxation and social security costs	18,297	24,227
Accruals and deferred income	105,848	130,820
	<u>124,335</u>	<u>173,820</u>

7 Share Capital

	2025 £	2024 £
Members' shares	647,859	611,836

All shares have a nominal value of £1 and cannot be transferred. Shares may be redeemed at par at the discretion of the board. Interest may be paid on shares at the discretion of the board. Shares do not entitle the shareholder to the assets in the event of a winding up, but shareholders are entitled to attend and vote at the Annual General Meeting with one vote per member regardless of the number of shares held.

Notes to the accounts for the year ended 31 December 2025 (continued)

8 Related Party Transactions

Rob Harrison was a director of Fair Tax Foundation Limited and of Ethical Consumer Research Association Limited (ECRA) in 2025. During the year ECRA made the following charges to Fair Tax Foundation Limited on normal commercial terms:

	2025 £	2024 £
Governance support	4,400	6,820
Project consultancy	-	6,745
	<u>4,400</u>	<u>13,565</u>

The value of ECRA's shareholding in Fair Tax Foundation Limited, including accrued interest, is £9,728 (2024: £9,177)

9 Grants

	Luminate £	Trust for London £	Total £
Total grants b/f	30,254	3,683	33,937
Total new grants received	-	11,050	11,050
Recognised in income in the year	(30,254)	(14,733)	(44,987)
	<u>-</u>	<u>-</u>	<u>-</u>
Total grants c/f	<u>-</u>	<u>-</u>	<u>-</u>

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

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