Fair Tax Mark Statement for Brett Nicholls Associates Limited (Jan-2024)

This statement of Fair Tax compliance was compiled in partnership with the Fair Tax Foundation ("FTF") and certifies that Brett Nicholls Associates Limited ("the Company") meets the standards and requirements of the FTF's UK Small Business Standard for the Fair Tax Mark certification.

Tax Information

The average net profit before tax over the last three accounting periods (years ended 31 March 2021 to 2023) was £121,656. The average expected tax charge on these profits would be £23,114 (19.0%). The actual average current tax charge over this period was £19,698 (16.2%); and the reasons for this being lower than the tax charge expected are explained in the following current tax reconciliation with accompanying narratives:

	£
Average profit before tax	121,656
Average expected corporation tax (19%)	**23,114**
[1]Expenses not deductible for tax purposes	138
[2]Accelerated capital allowances	(3,243)
[3] Super-deduction capital allowances	(311)
Average current tax charge (16.2%)	**19,698**

As at 31 March 2023, the Company had no deferred tax assets or liabilities on its balance sheet; and had no movements in deferred tax expensed or credited to the income statement.

[1] **Expenses not deductible for tax purposes** – Some business expenses, although entirely appropriate for inclusion in our accounts, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses are: client entertaining.

[2] **Accelerated capital allowances** – The accounting treatment of capital assets is usually different than the tax treatment allowable. This is because, in the accounts, an asset is depreciated over its useful economic life. Whereas capital allowances are set rules in tax law applied to the type of asset. The differences, however, between the depreciation rate in the accounts and capital allowances claimed in the corporation tax return – are only timing differences – as eventually, the accumulated depreciation and the capital allowances claimed will equal one another. In 2020/21 the Company purchased an electric vehicle upon which 100% First Year Allowances were claimed, which accounts for the reduction in the average charge to tax.

[3] **Super-deduction capital allowances** – From 1 April 2021 until 31 March 2023, UK companies investing in qualifying new plant and machinery assets can claim a 130% super-deduction capital allowance on qualifying plant assets. This extra 30% capital allowance creates a permanent difference above the actual cost of the asset, which will not be resolved by accumulated depreciation and capital allowances claimed equalling one another over the asset's life (as explained in footnote 2). This extra 30% tax saving, which is a permanent difference and not a timing difference, has therefore been presented separately.