



Fair Tax Mark Statement of the Helpful Digital Group (“the Group”) - February 2021

This statement of Fair Tax compliance was compiled in partnership with the Fair Tax Mark and certifies that the Group meets the standards and requirements of the Fair Tax Mark’s UK-based Multinational Business Standard.

Tax Policy

The Group aims to pay its fair share of tax and to do so within the spirit of the law. The Group believes it is fair to mitigate its tax in a fair way using generally available reliefs, but without using aggressive tax avoidance schemes.

The Group commits to the following:

- paying the right amount of tax in accordance with relevant statute and case law;
- pay tax and make all returns on a timely basis, across all taxes;
- aims to have a good working relationship with HMRC;
- seek to declare profits in the place where their economic substance arises;
- not use aggressive tax planning or enter into complicated tax avoidance schemes; and
- not use tax havens for tax avoidance purposes or inappropriately shift profits between tax jurisdictions.

Stephane Christophe Gray, Group Director, is responsible for this tax policy and will review it annually to ensure that it is complied with; and can conclude that the Group is compliant with this policy.

Group Information

The ultimate parent company of the Group is Helpful Digital Limited (“HD”), a private limited company owned and controlled by Stephane Christophe Gray and Hannah Lucy Lynes, with each party holding 50% of the shares and voting rights.

HD was established in 2016 with the principal activity of being a holding company for the Group assets.

The following companies are subsidiaries of HD, which together form the Helpful Digital Group:

<u>Company Name</u>	<u>Holding</u>	<u>Place of Incorporation</u>	<u>Tax Residency</u>	<u>Principal Activity</u>
Helpful Technology Limited	100%	England & Wales	UK	Digital training; and digital communication planning and consultancy
The Social Simulator Ltd	100%	England & Wales	UK	Digital crisis training and planning
Helpful Digital SARL	100%	France	France	Digital training; and digital communication planning and consultancy
The Social Simulator Inc	100%	USA	USA	Digital crisis training and planning

39 Durban Road, Beckenham, Kent, BR3 4EY, is the registered office address for all the UK companies.



The Group's trading addresses are:

UK, Europe and Asia – 1st Floor, 6 Kinghorn Street, London, EC1A 7HW; and
USA and Americas – 68 3rd Street, Brooklyn, New York, United States, 11231.

Financial Reporting

The Group has no obligations to prepare consolidated accounts due to its size; however, summaries for each of the companies within the group have been presented below. Please note that these are standalone figures and have not been altered to reflect any inter-company activities or currency conversions:

United Kingdom

<u>Company name</u>	<u>Turnover</u>	<u>Profit/(loss) before tax</u>	<u>Current tax charge/ (credit)</u>	<u>Net assets</u>	<u>Average no. of employees</u>	<u>Wages & salaries*</u>
Helpful Digital Limited	-	£442,510	£1,262	£302,749	-	-
Helpful Technology Limited	£691,965	£34,336	(£11,807)	£256,504	15	£705,087
The Social Simulator Ltd	£349,285	£3,922	£1,716	£165,702	-	-

**Wages and salaries consist of: gross wages/salaries; employer's national insurance; and employer's pension contributions – those which would appear in the income statement – and which include directors remuneration.*

France

<u>Company name</u>	<u>Turnover</u>	<u>Profit/(loss) before tax</u>	<u>Current tax charge/ (credit)</u>	<u>Net assets</u>	<u>Average no. of employees</u>	<u>Wages & salaries</u>
Helpful Digital SARL	-	(€2,325)	-	€2,675	-	-

United States

<u>Company name</u>	<u>Turnover</u>	<u>Profit/(loss) before tax</u>	<u>Current tax charge/ (credit)</u>	<u>Net assets</u>	<u>Average no. of employees</u>	<u>Wages & salaries</u>
The Social Simulator Inc	\$411,101	\$42,403	\$8,905	\$55,593	2	\$154,633



Tax notes and reconciliations

Below is a table that shows the expected current tax charge for each company within the Group based on its profits/(losses) before tax. It then reconciles this expected current charge with the actual current tax charge that is within the accounts – with supporting narrative for additional clarity.

	← UK →			France	USA
	Helpful Digital Limited	Helpful Technology Limited	The Social Simulator Ltd	Helpful Digital SARL	The Social Simulator Inc
	£	£	£	€	\$
Profit/(loss) before tax	442,510	34,336	3,922	(2,325)	42,403
Expected current tax (UK: 19%, US: 21%)	84,077	6,524	745	-	8,905
1. Expenses not deductible for tax purposes		2,331	473		
2. Depreciation vs capital allowances		(977)	497		
3. R&D and tax incentives		(19,685)			
4. Distributions from subsidiary	(83,451)				
5. s455 charges	636				
Current tax charge/(credit) per accounts	1,262	(11,807)	1,716	-	8,905

None of the companies within the Group had any deferred tax assets or liabilities; and therefore, had no movements in deferred tax expensed or credited to the income statement.

- Expenses not deductible for tax purposes** – some business expenses, although entirely appropriate for inclusion in the reporting entity's accounts, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses are: client entertaining; fines and penalties; and capital expenditure (which is subject to capital allowances instead).
- Depreciation vs 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 rather than the economic life of the asset (generally speaking). 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 accumulative depreciation and the capital allowances claimed will equal one another.
- R&D and tax incentives** – there are a variety of tax credits and incentives available for organisations that pay corporation tax on its profits, one of which is Research & Development (R&D). Certain types of expenditure incurred that relate to advancements in science and technology can result in extra reliefs and/or tax credits depending on the size of the organisation.
- Distributions from subsidiary** – dividend income from a company's own subsidiary, is ignored when computing the corporation tax charges on its profits. This is because the company paying the dividends have already declared/paid corporation taxes on its profits; and the parent company acts as like an intermediary between the company issuing the dividends and the end beneficiaries.
- s455 charges** – when a director and shareholder owes their own company money, and it hasn't been repaid within 9 months of the corporation tax period end, an extra tax (s455 tax) is due on this outstanding amount. Once the money has been repaid, the s455 tax paid can be reclaimed back by the company; and so this is likely to only be a temporary tax.