Fair Tax Mark Statement of the Helpful Digital Group (April 2022)

This statement of Fair Tax compliance was compiled in partnership with the Fair Tax Foundation ("FTF") and certifies that Helpful Digital Limited and all of its subsidiary companies ("the Group") meet the standards and requirements of the FTF's UK-based Multinational Business Standard for the Fair Tax Mark accreditation.

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, in the way they were intended, 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 all its taxes and make all Tax Returns on a timely basis;
- Aims to have a good working relationship with HMRC;
- Seeks to declare its profits in the place where their economic substance arises;
- To not use artificial or aggressive tax planning;
- To not enter into any complicated tax avoidance schemes;
- To never abuse tax havens in order to secure any tax benefits; and
- To never take advantage of the secrecies that many tax haven jurisdictions provide for transactions recorded within them.

Tim Lloyd, Managing Director of the Group, is responsible for this tax policy and will review it annually to ensure that it is complied with. The Group confirms that its tax policy was effectively complied with for the year ended 31 March 2021 for its UK companies; and for the year ended 31 December 2021 for its USA subsidiary.

Subsidiary companies

Helpful Digital Limited has the following subsidiary companies, which together form the Helpful Digital Group:

Company name	Place of Incorporation	Holding	Principal Activities
Helpful Technology Limited	UK	100%	Digital training; and digital communication planning and consultancy
The Social Simulator Ltd	UK	100%	Digital crisis training and planning
The Social Simulator Inc	USA	100%	Digital crisis training and planning

Country-by-Country 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:

Country and Tax Jurisdiction	Names of the Resident Entities	Number of employees	Total Revenue	Profit/(loss) before tax	Net assets	Current tax	Employee remuneration
UK	Helpful Digital Limited	-	-	£394,345	£557,094	-	-
	Helpful Technology Limited	8	£423,632	£29,918	£36,422	-	£403,302
	The Social Simulator Ltd	-	£241,348	£43,573	£54,712	£8,710	-
USA	The Social Simulator Inc	2	$570,705	$73,724	$154,916	$14,966	$141,917

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 before tax. It then reconciles this expected current charge with the actual current tax charge that is within the accounts – with supporting narratives for additional clarity. For the UK companies, the accounting period is for the year ended 31 March 2021; for the US subsidiary, the accounting period is the year ended 31 December 2021.

	UK (£)			US ($)
	HD	HT	SS UK	SS US
Profit before tax	394,345	29,918	43,573	73,724
Expected tax charge (UK: 19.0%; US: 21.0%)	74,926	5,684	8,279	15,482
1. Expenses not allowed for tax purposes	-	1,626	32	108
2. Losses carried forward / (utilised)	72	2,380	-	(623)
3. Income from within the group not taxable	(75,212)	-	-	-
4. Accounting depreciation vs tax allowances	215	1,017	399	-
5. Enhanced deductions (R&D)	-	(10,707)	-	-
Actual current tax charge	-	-	8,710	14,966

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.

1. 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. An example of such an expense is client entertaining costs.

2. For some of our UK companies, tax losses have occurred this year and have been carried forward to be relieved against future profits. Once these tax losses have all been utilised, tax will then become chargeable on the profits generated thereafter. In our USA company, we had a small amount of brought forward tax losses, which have been utilised in full in the current year.

3. Dividend income from a company's own subsidiary, is not subject to corporation tax. This is because the company paying the dividends has already been subject to corporation tax on its profits, and the parent company acts as like an intermediary between its subsidiary paying the dividends and its own shareholders.

4. 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 accumulative depreciation and the capital allowances claimed will equal one another.

5. R&D tax reliefs support companies that work on innovative projects in science and technology. It can be claimed by a range of companies that seek to research or develop an advance in their field. There are different types of R&D relief, depending on the size of the organisation. Helpful Technology Limited is classed as a 'Small and Medium sized Enterprise' and therefore can claim an extra 130% deduction on its qualifying R&D costs.