

Mercat Tours Limited

Fair Tax Mark Statement (March 2024)

This statement of Fair Tax compliance was compiled in partnership with the [Fair Tax Foundation](#) (“FTF”) and certifies that Mercat Tours Limited (“the Company”) meets the standards and requirements of the FTF’s Solely UK-based Business Standard for the Fair Tax Mark certification.

Our Tax Policy

The Company is 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 Company 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.

Our Company Information

Our registered office and trading address is: Mercat House, 28 Blair Street, Edinburgh, EH1 1QR.

The Company is owned and controlled by its two directors, Kathleen Brogan and Michael Brogan, who each hold 49% of the ordinary issued share capital.

Our Tax Disclosures

Our profit before tax for the year ended 31 December 2022 was £82,431. The expected tax charge on this profit at the UK headline rate of 19.0% would be £15,662. Our actual current tax charge for the year ended 31 December 2022 was £14,263 at a rate of 17.3%, and the reasons for this being lower than expected are explained below in the following tax reconciliation and accompanying footnotes:



Profit and Loss Account	31-Dec-22
	£
Turnover	1,200,523
Cost of sales	(629,281)
Gross profit	571,242
Administrative expenses	(489,864)
Operating profit	81,378
Interest receivable	1,053
Profit before taxation	82,431
Tax on profit on ordinary activities	(14,263)
Profit for the financial year	68,168
Tax Reconciliation	31-Dec-22
	£
Profit before taxation	82,431
Expected tax charge (19.0%)	15,662
1. Expenses not deductible for tax purposes	38
2. Accelerated capital allowances	(1,085)
3. Super-deduction capital allowances	(351)
Total and current tax charge (17.3%)	14,263

As at 31 December 2022, 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 Profit and Loss Account during the year.

- 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; and fines and penalties.
- Accelerated capital allowances** – 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 on the types of assets that qualify for capital allowances and the rates at which they can be claimed. The differences between these treatments creates a tax adjustment. For the period under review, the tax treatment of our fixed assets was more favourable than how we had accounted for it. However, these differences are only timing differences, as eventually accumulated depreciation and total capital allowances claimed will equal one another.
- 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. The 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 additional 30% tax saving, which is a permanent difference and not a timing difference, has therefore been presented separately.