Fair Tax Mark Statement of Lamplight Database Systems Limited (Jan-2023)

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

Tax Policy

Lamplight 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. Lamplight 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.

Lamplight may trade with customers and suppliers genuinely located in places considered to be tax havens; however, we would never 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.

Company Information

Lamplight is a private company limited by shares, originally established in 2004, with the principal activity of helping charities manage their data. Lamplight provides an efficient and cost-effective database system that supports the day-to-day work for charities – and which makes their reporting quick, straightforward and organised.

Lamplight is owned and controlled by its directors: Matthew Parker and Sarah Parker – who each own 50% of the issued share capital.

The registered office address of Lamplight is PO Box 79236, Lamplight Hq, 46 Oldfield Road, London, England, NW26 9RG – which is also our postal and contact address. Lamplight does not have a fixed trading address and operates with a remote workforce.

Tax Information

The average profit before tax over the last three accounting periods (years ended 31 March 2020 to 2022) was £23,952. The expected tax charge on these average profits is £4,551 (19.0%). The actual average current tax charge over this period was £3,995 (16.7%); and the reason for it being slightly less than what would be expected is accelerated capital allowances and super-deduction capital allowances, which is shown in the current tax reconciliation below and explained fully with accompanying narratives:

	Average £
Average profit before tax	23,952
Tax at standard rate of Corporation Tax in the UK 19%	4,551
Accelerated capital allowances	(476)
Super-deduction capital allowances	(80)
Average current tax charge	3,995

Accelerated capital allowances – the accounting treatment of capital assets (e.g. office equipment and fixtures with a useful economic life greater than 2 years) 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. So, with regards to Lamplight's current tax reconciliation above, the capital allowances we were able to claim were greater than the depreciation we had calculated in our accounts.

The differences, however, between the depreciation claimed in the accounts and capital allowances claimed in our corporation tax returns – are only timing differences – as eventually, the accumulative depreciation and the capital allowances claimed will equal one another.

Super-deduction capital allowances – for qualifying plant and machinery assets purchased from 1 April 2021 until 31 March 2023, a special first-year capital allowance totalling 130% of asset purchase price is available to claim. The 30% top slice of this tax deduction (i.e. the amount exceeding the asset's cost for accounting purposes) creates a permanent timing difference between capital allowances and depreciation, and has therefore been analysed separately in the above current tax reconciliation.

Accelerated capital allowances timing differences have been accounted for with a deferred tax provision. As at 31 March 2022, Lamplight had a deferred tax liability provision on its balance sheet of £1,797 in respect of the above accelerated capital allowances. This provision is a way of smoothing out these differences so that our profits aren't overstated in the accounts. The deferred tax provision will unfold in annual instalments over the useful economic lives of the assets that it relates to.

Other Disclosures

During the year to 31 March 2022, directors' remuneration amounted to £35,584.