WINDER POWER™

ENERGY DELIVERED

Additional Tax Information for the year ended 31 March 2025

This additional tax information was compiled in partnership with the Fair Tax Foundation and ensures that Winder Power meets the requirements of the Fair Tax Foundation's Solely UK-based Business Standard for the Fair Tax Mark certification.

The Fair Tax Mark label is the gold standard of responsible tax conduct and certifies that a business:

- seeks to follow the spirit, as well as the letter of the law;
- shuns artificial and aggressive corporate tax avoidance; and
- is transparent about profits made and taxes paid.

Tax contributions are the lifeblood of a flourishing society - funding essential services such as healthcare, education, policing and transport. Corporate tax avoidance doesn't just rob public services of vital revenue, it also undermines the ability of businesses to compete fairly and reduces national productivity. Across the world, there is a growing community of Fair Tax Mark certified businesses who believe in responsible tax conduct, spanning small businesses, listed companies, co-operatives and social enterprises.

Tax Information

For the year ended 31 March 2025, the Winder Power Group reported profit before tax of £3,453k (2024: £2,053k) and a corporation tax charge of £263k (2024: £nil). The Group's current tax rate was 7.6% (2024: 0.0%), which is below the UK headline rate of 25.0%. The following current tax reconciliation and accompanying footnotes explain the reasons for this difference.

	31 March 2025 £'000
Profit before taxation	3,453
Corporation tax at 25.0%	863
1. R&D relief	(362)
2. Pension contribution adjustment	8
3. Accelerated capital allowances	(100)
4. Non-deductible expenditure	16
5. Tax losses	(162)
Corporation tax due per the Group's tax returns (7.6%)	**263**

1. Research and Development (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 advancement in their field. There are, and have been, different types of R&D relief, depending on the size of the organisation and in which accounting period it applies to. During the year, Winder Power was eligible to claim a 20% Research and Development Expenditure Credit (RDEC) on qualifying R&D expenditure. As the credit is taxable, the net relief amounts to 15% of qualifying expenditure.

2. Tax relief on pension contributions is granted when they are paid. Accordingly, the Group's tax calculation adjusts for any difference between the pension contributions accrued in the financial statements and those paid during the year.

3. Fixed assets are treated differently for accounting and tax purposes. In the accounts, they are depreciated over their useful economic lives, while tax relief is claimed under specific capital allowance rules. This often creates both a current tax adjustment on the current year's corporation tax charge, as well as an accounting deferred tax timing difference because the total depreciation charged will ultimately equal the total capital allowances claimed over time. At 31 March 2025, the Group had an accounting deferred tax liability of £508,702 relating to these differences, reflecting that tax relief claimed to date exceeded the depreciation recognised in the accounts. This is because capital allowances have provided more upfront relief, whereas depreciation is spread over the assets' useful economic lives. The deferred tax liability will therefore unwind over the economic lives of the assets that they relate to.

4. Some business expenses, although entirely appropriate for inclusion in the accounts, are not allowed as a deduction against taxable income when calculating the corporation tax liability. Examples of such expenses for the current year were client entertaining, costs that are capital in nature and not subject to relief in the current year, and keyman insurances.

5. The Group had tax losses brought forward from earlier periods that were offset against the current year's taxable profits.