



Fair Tax Mark Statement of VME Systems Ltd (February 2020)

This statement describes the commitments of VME Systems Ltd (and subsidiaries) to good tax conduct and provides disclosures which ensure it meets best practice and secures Fair Tax Mark accreditation.

Tax Policy

VME Systems Ltd 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 our 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 we undertake in 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 that information that users, including HM Revenue & Customs, might need to properly appraise our tax position.

About VME Systems Ltd and VME Retail Systems Ltd

VME Systems Ltd has no income, costs or corporation tax liabilities, and acts as the holding company for VME Retail Ltd. The latest accounts for VME Systems are available [here](#).

VME Retail Systems Ltd is both incorporated and tax resident in the UK. It has operations in Malta, but no income is derived from there. The latest accounts for VME Retail Systems are available [here](#).

The tax charge reconciliation for which are as follows:

VME Retail Systems Limited
Tax charge reconciliation for 2017 and 2018

	2018	2017
	£	£
Reconciliation		
Profit for period	203,454	83,966
Tax on profit at standard rate of 19% - 2018 (19.25% - 2017)	38,656	16,163
Effects of:		
Expenses not deductible for tax	2,030	487
Depreciation in excess of capital allowances	6,981	3,719
R&D enhanced expenditure	(46,847)	0
R&D tax credit	(69,619)	0
Tax rate changes	0	(4)
Adjustment from previous periods	(187,042)	0
Profit/(Loss) on sale of fixed assets	(820)	0
Current tax charge/(credit) per statement of profit and loss	(256,661)	20,366
Deferred tax charge/(credit) per statement of profit and loss	3,141	(24,408)
Total tax charge/(credit) per statement of profit and loss	(253,520)	-4,040
Deferred tax charge/(credit) per statement of profit and loss	(3,141)	24,408
Deferred tax charge/(credit) per statement of changes in equity	0	1,789
Deferred tax provision movement for year	(3,141)	26,197

The primary reason for the difference between the expected current tax charge (£38,656) and the actual current tax charge (-£253,520) is due Research and Development (R&D) tax relief, this relief supports companies that work on innovative projects in science and technology. Companies can claim enhanced expenditure for qualifying costs they incur on R&D projects, the deduction can be 230% of the qualifying cost or they can claim a tax credit if the company is making a loss, worth up to 14.5% of the surrendered loss. Other items that are affecting the current tax charge are:

Expenses not deductible for tax - Some expenses incurred may be entirely appropriate charges for inclusion in its financial statements but are not allowed as a deduction against taxable income when calculating tax liability. Examples of these include Entertaining, Abortive, Property Disposals, Revaluations and Fines.

Depreciation in excess/(shortfall) of capital allowances - The accounting treatment of capital assets differs from the tax treatment. For accounting purposes, an annual rate of depreciation is applied to capital assets and charged to the profit and loss account. For tax purposes, the depreciation charge is added back and instead, a tax capital allowance is claimed, a relief provided by law. Over time, however, these differences will equal one another.

Profit/(loss) on disposal of assets - When a company sells fixed assets, such as property and equipment, and collects proceeds amounting to less than the asset's book value, a loss on the disposal of assets is recorded as a nonoperating loss. This means that it does not affect the company's operating income or operating margin.