On The Eighth Day Co-Operative Limited
Tax Reconciliation
For the Year Ended 31 August 2024

		2024		2023		2022	
		£	£	£	£	£	£
Profit/(loss) per the financial statements			27,035		14,557		(40,349)
Add	Timing difference between depreciation and capital allowances	13,088		15,450		18,999	
	Loss on disposal of fixed assets	433		441		340	
	Expenses not allowable for tax	-		-		1,100	
	Unpaid pensions 2024 paid after the year end	858	14,379	693	16,584	723	21,162
Less	Income already taxed	1		1		1	
	Unpaid pensions 2023 paid in the 2024 year	693	(694)	723	(724)	905	(906)
Adjusted profits for tax purposes			40,720		30,417		(20,093)

	2024	2023	2022
	£	£	£
Trading losses brought forward	(46,299)	(76,716)	(56,623)
Current year loss	-	-	(20,093)
Losses brought forward utilised agains current year profits	40,720	30,417	-
Trading losses caried forward	(5,579)	(46,299)	(76,716)

Taxation

	2024	2023	2022
	£	£	£
Corporation tax for the year - nil due to offset of losses	-	-	-
Deferred tax charge/credit on timing differences	(225)	1,064	(1,233)
Taxation per the financial statements	(225)	1,064	(1,233)

Additional notes for Fair Tax Mark Assessment:

Numerical current tax reconciliation	£	£	£
Profit/(loss) before taxation	27,035	14,557	(40,349)
Expected current tax credit at headline rate of 19%	5,137	2,766	(7,666)
Tax adjusting items:			
Depreciation in excess of capital allowances	2,569	3,019	3,674
Expenses not deductible for tax purposes	-	-	209
Pension adjustments	31	(6)	(35)
Trading losses (utilised)/carried forward	(7,737)	(5,779)	3,818
Actual current tax charge per finanical statements	-	-	-

Depreciation in excess of capital allowances – the accounting treatment of fixed assets differs from the tax treatment. For accounting purposes, our tangible fixed assets are depreciated over their useful economic lives. For tax purposes, there are specific rules to what can, or should, be claimed. The differences between these treatments create a temporary tax adjustment that will balance out over time.

Expenses not deductible for tax purposes – Some business expenses, although entirely appropriate for inclusion in the financial statements, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses are: fines and penalties.

Pension adjustments – tax relief is given on a paid basis. If there is a pension creditor or accrual in the accounts (i.e. not yet paid), then this will be adjusted for in computing the taxable profits/(losses).

Trading losses (utilised)/carried forward – tax losses from earlier periods can be carried forward and relieved against future profits, so that the correct amount of tax is applied to the overall historic profits generated, and not just for that period. Once the tax losses have all been used, tax will then become chargeable on the profits generated thereafter.

Deferred Tax

		2024		2023		2022
		£		£		£
Book written down value of assets other than property		19,773		20,670		24,152
Less tax written down value of assets other than property		-		-		(2,551)
Difference		19,773		20,670		21,601
	Rate		**Rate**		**Rate**	
Deferred tax at 25% - per balance shet	25%	4,943	25%	5,168	19%	4,104
Movement in the year - per profit and loss account		(225)		1,064		(1,233)

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