

MonoSol AF, Ltd - Tax Strategy

This Tax Strategy document sets out our approach to conducting the tax affairs of MonoSol AF, Ltd. The Tax Strategy has been approved by the MonoSol Group Board of Directors, covers all UK taxes and relates to the year ending 31st December 2018.

It is the policy of the MonoSol Group to conduct our business in a manner that protects the health and safety of our employees, the communities in which we operate and the environment. We believe in collaboration, use of best practices, continuous training and reinvesting in people and infrastructure to support our business policies. Our philosophy is to provide a safe environment for employees, service providers, partners and customers.

The purpose of this tax strategy is to set out the Company's approach to tax risk management and governance in conjunction with our normal business activities. It confirms our attitude towards acceptable tax risk, tax planning and our approach towards dealings with HM Revenue & Customs (HMRC).

By making this strategy freely available MonoSol AF, Ltd regards its publication as fulfilling our responsibilities under Schedule 19 of the Finance Act 2016.

Approach to tax risk management and governance

Ultimate responsibility for our tax risk management and governance of all relevant UK taxes and duties falls with the MonoSol Group Board of Directors.

The Company Secretary (also acting as the Senior Finance Officer) oversees the day to day controls. He is fully supported by the UK Finance team who are responsible for daily transactions posted to the company ledgers. In addition, regular communications between departments ensures finance is aware of any exceptional items that may require specific tax treatment, for example capital project prepayments or consignment inventory agreements.

Finance department staff are given appropriate training and resources to ensure robust business systems and processes are in place to provide accurate financial data to substantiate all tax computations and returns. When necessary, external specialist tax advice for more complex or significant business transactions will be obtained.

All significant tax risks are reported to the Board of Directors for their review. When considering tax risks, MonoSol AF, Ltd:

- encourages ethical and transparent business practices
- conducts open and honest dialogue with all relevant business parties.
- Ensures we are able to identify and manage tax risk
- Meets all tax obligations, aligned with the Group strategy and governance framework.

Level of acceptable tax risk

Our business affairs are based on sound commercial principles and in accordance with relevant tax legislation, allowing the Company to utilise tax reliefs and allowances available in the manner intended by Acts of Parliament.

MonoSol AF, Ltd does not engage in any aggressive tax planning schemes based on our appetite for tax risk being low.

We aim to manage tax risk to a level in-keeping with the complexity and size of our business, through implementation of our business model which includes our approach to tax risk management.

Eliminating all tax risk is difficult to fully achieve due to the uncertainty that arises from different interpretations of tax legislation.

Attitude towards tax planning

MonoSol AF, Ltd:

- operates using only established accounting principles and strives to always adhere to relevant tax legislation.
- The commercial needs of the business will in no circumstances override compliance with all applicable laws and regulation
- aims to consider a range of tax outcomes based on an underlying commercial intention of any business activity or transaction.
- involves external tax advisors or HMRC as appropriate, in order to resolve uncertainties or complexities and consider tax outcome of relevant transactions.
- has created an inter-departmental team to ensure potential BREXIT related concerns are examined and considered, for example additional VAT registration requirements in European countries.

Approach towards dealings with HMRC

MonoSol AF, Ltd is committed to the principles of a transparent approach to dealing with HMRC. The Company always aims to resolve any issues that may arise in an honest and professional manner. We will engage in a pro-active dialogue to resolve any areas of doubt when interpreting legislation in order to minimise any misunderstanding and subsequent tax risk.

Signed on behalf of MonoSol AF, Ltd



Neil Arrowsmith
Company Secretary

Published on 3rd December 2018.