



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 financial year ending 31st December 2021.

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 where we operate, and the environment. Our Corporate Social Responsibility ethos is key to our making a positive change to the world around us and includes regular donations of employee time and financial assistance.

MonoSol AF, Ltd (hereinafter referred to as MonoSol UK) take our responsibilities as a legal entity very seriously. These include our duties to accurately report and pay taxes when due. 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 also confirms our attitude towards acceptable tax risk, tax planning and our approach towards dealings with Her Majesty's Revenue & Customs.

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 MonoSol UK Company Secretary (who also acts as the Senior Finance Officer) oversees the day to day controls, including tax, and is supported by the UK Finance team who are responsible for daily transactions posted to the company ledgers. Regular communications between departments ensures finance is aware of any exceptional items that may require specific tax treatment, for example pro-forma invoices where VAT is not included.

All finance staff are given appropriate training and resources to ensure our 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 UK encourages transparent business practices and an open and ensures ethical and honest dialogue with all relevant business parties takes place. We always aim to identify and manage tax risk and meet all tax obligations as well as being aligned with the Group's business strategy and governance framework.

Level of acceptable tax risk

MonoSol UK's appetite for tax risk remains low, consequently we do not engage in any aggressive tax planning schemes.

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

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

Attitude towards tax planning

MonoSol UK operates using only established accounting principles and we aim to always adhere to relevant tax legislation. We will consider a range of tax outcomes based on an underlying commercial intention of any business activity or transaction.

Any areas of uncertainty or complexity are dealt with by the MonoSol UK Company Secretary, who will involve discussions with external tax advisors or HMRC as appropriate. Annual corporation tax returns are prepared by external tax professionals.

When considering the tax outcome of transactions and our attitude towards tax planning, we strive to align these with the MonoSol UK Corporate Social Responsibility policy.



Approach towards dealings with HMRC

MonoSol UK is committed to the principles of transparency and openness in its approach to dealing with HMRC. As required, we will engage in a pro-active dialogue with HMRC to resolve any areas of uncertainty when interpreting legislation, in order to minimise any tax risk.

MonoSol UK always aims to resolve any issues that may arise in an honest and timely manner.

HMRC has endeavoured to support UK companies during the Coronavirus pandemic and BREXIT.

Assistance with interest free loans, payroll cost support and business rates lump-sum payments, for example, have helped many small employers survive the pandemic.

BREXIT has introduced additional bureaucracy, extra costs (unrecoverable taxes and duties, and import VAT) and subsequent cash-flow difficulties to many companies dealing with EU companies, whether customers or suppliers. It may be some time before we settle into 'business as usual' but the additional tax burdens are unlikely to go away.

National Insurance increases for employees and employers are due to take place in 2022, we wait to see if this extends beyond March 2023.

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

A handwritten signature in black ink, which appears to read 'Neil Armstrong'.

Published on 18th March 2022.