

Tax Strategy Nedschroef Fasteners Ltd

Scope

Introduction to Company structure

This strategy applies to Nedschroef Fasteners Ltd (hereinafter also referred to as “the Company”) in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. The Company is part of the Nedschroef group (hereinafter also referred to as “the Group”) with headquarters in Helmond, the Netherlands. Shanghai Electric (Group) Corporation is the ultimate shareholder of the Company. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Company has legal responsibilities.

Aim

Nedschroef Fasteners Ltd is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Company’s tax affairs are managed in a way which takes into account the Company’s wider corporate reputation in line with Nedschroef Fasteners Ltd’s overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Nedschroef Fasteners Ltd’s tax strategy and compliance rests with the Board of Nedschroef Fasteners Ltd;
- Executive management of the group is delegated by the Board to the Finance Director.
- The Audit & Risk Committee’s requirement to monitor the integrity of Nedschroef Fasteners Ltd’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Finance Director is the Board member with responsibility for tax matters;
- Day-to-day management of Nedschroef Fasteners Ltd’s tax affairs is delegated to the Management Accountant, who reports to the Finance Director;
- The Tax function of Nedschroef Fasteners Ltd is staffed with appropriately qualified individuals;
- The Board ensures that Nedschroef Fasteners Ltd’s tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Finance Director reports to the Audit and Risk Committee and the Board on Nedschroef Fasteners Ltd’s tax affairs and risks during the year.
- Considering the fact that the Company is part of a multinational group, international tax matters are managed in close co-operation with the Group’s head office.

Risk Management

- Nedschroef Fasteners Ltd operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- Nedschroef Fasteners Ltd seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for employees within the Tax Function who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

Nedschroef Fasteners Ltd manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, Nedschroef Fasteners Ltd seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Nedschroef Fasteners Ltd does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Nedschroef Fasteners Ltd accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Company's tax affairs. At all times Nedschroef Fasteners Ltd seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

Nedschroef Fasteners Ltd ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Nedschroef Fasteners Ltd discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

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