

Introduction

The following information is provided in compliance with the requirements of Finance Act 2016 Schedule 19, paragraph 16(2).

The policy on Taxation in the United Kingdom as approved by the Board is included below;

Policy on UK Taxation

This policy applies from the date of publication, is effective for the year ending 31 December 2020 and until it is superseded. The tax strategy for the Group, and specifically the UK, is reviewed annually. The aim of the Group is to be open, transparent, comply with all relevant UK tax legislation whilst ensuring the tax strategy is complementary to the business objectives and strategy of the Forged Solutions Group. We may seek to undertake tax planning, but only where it supports a wider commercial or operational objective and such tax planning will never be implemented in isolation. The Chief Financial Officer is responsible for oversight of the UK tax strategy and policy. The Chief Financial Officer is also the Senior Accounting Officer of the Group for UK tax purposes. The Chief Financial Officer is supported on day to day tax matters by site finance teams in addition to specialist tax support from third party tax advisors.

Approach to tax risk management and governance

Our aim is to actively manage tax risks across the group, with regular reviews of key risks. This process will be led by the Senior Accounting Officer. A key part of this process will be ensuring that roles and responsibilities within the organisation are clearly defined, individuals are qualified and trained, with appropriate support and advice from third party tax advisors.

Where there is significant complexity or uncertainty in relation to tax risk or to improve internal knowledge, external professional advice from third party tax advisors is sought.

The businesses within the Group largely operate on an autonomous basis. Transfer pricing risk is actively managed to ensure goods and services are at arms length pricing between the various businesses within the Group.

Level of tax risk the group is prepared to accept

The strategy of the Group includes ensuring the UK tax strategy complements the overall Group strategy. In general the Group does not have appetite for significant tax risk and the approach of the Group is mitigate tax risk to the greatest extent possible. This includes ensuring the Group complies with all relevant tax legislation. Where significant uncertainty might exist in relation to tax risk advice will be sought from a specialist tax advisor before proceeding. For routine day to day compliance matters the Group has a very low risk tolerance and aims for a high standard of compliance with such procedures and deadlines. Tax risks will be shared and discussed with the Board as appropriate.

Attitude towards tax planning

The Group is committed to complying with its tax obligations and all relevant tax legislation. Equally the Group has a responsibility to its shareholders to ensure its business is conducted in a tax efficient manner. Tax planning will only ever be contemplated as part of a wider commercial objective, and will not be implemented where it is the sole objective.

Approach towards dealings with HRMC

The Group intends to have regular dialogue with HMRC as necessary, led by the Senior Accounting Officer. Our aim is to ensure that HMRC is aware of the Group's activities, understands the key tax risks and the approach taken to mitigate these key risks. To the extent necessary, the Group will seek advance clearance from HMRC on transactions and the associated tax treatment.