

Gradus Group UK Tax Strategy

Scope

Introduction to Group structure

Gradus Group consists of a group of UK companies, the top UK Company Gradus Group Holdings Limited is a direct subsidiary of Midfloor SAS, a company incorporated in France. The ultimate parent entity is Topfloor SAS, a company incorporated in France. Gradus Group results are consolidated into the financial statements of Topfloor SAS.

This strategy applies to Gradus Group Holdings Limited and to the group of companies headed by Gradus Group Holdings Limited in accordance with paragraph 17(4) Schedule 19 to the Finance Act 2016. A list of active entities to which it applies is set out below. In this strategy, references to 'Gradus Group Holdings Limited', 'the firm' or 'the group' are to all these entities. The strategy is being published in accordance with paragraph 16(2) of the Schedule.

This strategy applies from the date of publication 21 December 2018 until it is superseded.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 Group has legal responsibilities.

Aim

Gradus Group Holdings Limited is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with Gradus Group Holdings Limited's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Gradus Group Holdings Limited's tax strategy and compliance rests with the Board of Gradus Group Holdings Limited;
- Executive management of the group is delegated by the Board to the Finance Director;
- The Finance Director is a member of Executive Management and collectively with the Board is charged with executive responsibility for tax matters;
- Day-to-day management of Gradus Group Holdings Limited's tax affairs is delegated to the Finance Director;
- The Board ensures that Gradus Group Holdings Limited's tax strategy is one of the factors considered in all investments and significant business decisions taken;

Risk Management

- Gradus Group Holdings Limited 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;
- Gradus Group Holdings Limited 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 staff outside the Finance team 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

Gradus Group Holdings Limited 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, Gradus Group Holdings Limited seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Gradus Group Holdings Limited does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Gradus Group Holdings Limited accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Gradus Group Holdings Limited 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

Gradus Group Holdings Limited seeks to have a transparent and constructive relationship with HMRC.

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

List of active entities covered by this Tax Strategy

Gradus Group Holdings Limited
Gradus Limited