
This document sets out Eurocell plc's response to the Fair Tax Mark scorecard assessment received in June 2019. The objective of this document is to demonstrate the enhanced disclosures that will underpin the Group's Fair Tax Mark certification, with tax transparency further consolidated and enhanced in Eurocell's Annual Report and Accounts 2019.

Tax Policy Statement

We are committed to compliance with tax law and practice in the UK. Compliance for us means paying the amount of tax we are legally obliged to pay and doing so in the right place, at the right time. It involves disclosing all relevant facts and circumstances to the UK tax authorities in ways that reflect the economic reality of the transactions we undertake, and claiming appropriate reliefs and incentives where available.

Risk management

The level of risk that we accept in relation to UK tax is consistent with our overall objective of achieving certainty in the Group's tax affairs. At all times, we seek to comply fully with our regulatory and other obligations, and to act in a way that upholds our core values and reputation as a responsible corporate citizen. We see compliance with tax legislation as key to managing tax risk, and understand the importance of tax in the wider context of business decisions.

Processes have been put in place to ensure tax is considered as part of our overall decision-making processes, with tax risks managed by local finance teams and escalated through to appropriate levels of management and, ultimately, to the Board when necessary.

Tax planning

In structuring our commercial activities, we will always consider – among other factors – the relevant tax laws. We believe that it is fair to mitigate tax using generally available reliefs in the spirit in which they are intended. However, any tax planning that we undertake will have commercial and economic substance and we will not use aggressive tax planning or enter into complicated tax avoidance schemes.

Although for commercial reasons we may trade with customers and suppliers genuinely located in countries considered to be tax havens, we will not use such jurisdictions for the purpose of avoiding tax, nor will we seek to take advantage of the secrecy afforded to transactions recorded in these jurisdictions.

Engaging with HMRC

We aim to have a good working relationship with HMRC. We will engage with honesty and integrity, and in a spirit of cooperative compliance. We will make all returns and pay tax on a timely basis, across all types of tax.

The Board has approved this policy. The Board will review the policy, and our compliance with it, on an annual basis.

Compliance

Eurocell plc and its subsidiary companies are compliant with our Tax Policy. We will make explicit reference to our compliance with the Tax Policy in the 2019 Annual Report and Accounts. Responsibility for all tax reporting and adherence to Tax Policy rests with Michael Scott, Chief Financial Officer.

Tax residency

Eurocell plc and its subsidiaries are all registered in England and Wales, and are resident in the UK for tax purposes. The financial statements and other statutory filings are freely available to the public at Companies House.

Republic of Ireland operations

The Group operates from a number of manufacturing locations in the East Midlands, Yorkshire and The Wirral, and from over 200 branches across the UK.

There are also two branches in the Republic of Ireland, with a combined annualised turnover of c.£1.2 million, total assets of c.£50,000 and 7 FTEs. These trading locations form part of Eurocell Building Plastics Limited, which is UK-resident for tax purposes. Consequently any profits generated are recorded and taxed in the UK. We will continue to monitor whether our activities in Ireland give rise to any local Irish tax compliance and payment obligations

The Group will include the following disclosure within its segmental note for the first time in its 2019 Half Year report (due to be issued on 1 August 2019), and in all future reports:

Geographical information						
	Six months ended 30 June 2019 £'000 (Unaudited)		Six months ended 30 June 2018 £'000 (Unaudited)		Year ended 31 December 2018 £'000 (Audited)	
	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets
United Kingdom	135,698	101,567	118,250	50,254	252,533	62,749
Republic of Ireland	634	44	543	54	1,158	49
Total	136,332	101,611	118,793	50,308	253,691	62,798

As at 30 June 2019 the Group employs 1,955 people in the United Kingdom, and 7 people in the Republic of Ireland.

Duncan Longson
Group Financial Controller

31 July 2019