



# Vita Group – UK Tax Strategy – Year ending 31 December 2022

Publication date: December 2022

# Contents

1	Introduction	1
2	Scope	1
3	Aim	1
4	Tax risk management	1
5	Tax planning: Our approach	2
6	Tax risks	2
7	Relationship with HM Revenue & Customs	3
	Appendix A – List of entities	4

## **1 Introduction**

The Vita Group ("Vita" or the "Group") is a leading provider of value-added and differentiated flexible polyurethane ("PU") foam products. Built on over 70 years of heritage, Vita develops, manufactures and markets a wide range of flexible polyurethane foam, Talalay latex and flooring products to create comfort, quality and functional solutions for our customers. The Group currently operates from 36 sites in 13 countries, including the UK, and the Group's two divisions – Comfort and Technical & Flooring – cater for customers across a broad set of industries.

The Group's tax strategy is to drive value for the Group by the use of robust tax controls and eligible tax reliefs, whilst paying the correct amount of tax at the right time and complying with all laws, regulations, reporting and disclosure requirements in the jurisdictions within which Vita operates.

## **2 Scope**

This document sets out Vita's Tax Strategy and the policies and procedures in place within Vita which the Group is committed to following to achieve its implementation.

This document has been approved by Vita's senior management team (Vita Management Team) and the Board of Directors and sets out the approach of the Group to tax risk management and tax planning. This document is effective for the financial year ending 31 December 2022 and will be reviewed annually and updated as necessary.

The document is regarded as satisfying the requirements set out in paragraph 16 of Schedule 19 of Finance Act 2016 and covers all entities listed at Appendix A.

References to "Tax, UK tax or taxation" are to the taxes and duties set out in paragraph 15(1) of Schedule 19 of Finance Act 2016 and includes Income Tax, Corporation Tax, PAYE, NIC, VAT, Stamp Duty Land Tax, Stamp Duty Reserve Tax, Customs duties and Excise duties.

## **3 Aim**

Vita seeks to meet all of its statutory and regulatory tax obligations. This means acting with reasonable care in relation to all tax filing and payments and disclosing where appropriate all relevant facts and circumstances to the tax authorities when undertaking non-routine transactions and/or claiming reliefs.

Vita recognises that its tax obligations are for the most part clearly determined in law and practice, but there will be areas where judgment is required and choices are available. The uncertainty arising from the interpretation and application of taxation laws and regulations gives rise to tax risk. To manage tax risk Vita encourages an environment of openness and transparency throughout the Group in which risk management is embedded in the day-to-day business.

## **4 Tax risk management**

Tax governance is of high importance to Vita. The Group wishes to achieve a low-risk tax profile both in the UK and other territories in which it operates.

The Tax Strategy is ultimately overseen by the Board of Directors. It is reviewed annually and in addition when there are material changes to the tax environment. Any proposed changes will be discussed with and approved by the Board.

Vita's approach to taxation is reviewed periodically in light of changes to:

- Tax legislation and regulations
- Emerging business and tax risks
- Business operations and the general business environment

Responsibility for the day to day management of the Tax Strategy is delegated to the Chief Financial Officer and through him to the Head of Tax and the Group Financial Controller.

The Head of Tax is kept up to date on matters impacting business operations so that tax positions can be managed appropriately. The day-to-day responsibility for operational taxes is embedded within the risk management systems, procedures, and policies of the individual businesses with support from the Group Tax function and external advisors.

Vita has put in place a variety of risk management systems, procedures, and policies, including a financial risk register, a Group Accounting Manual, the requirement to complete an annual Financial Controls Self-Assessment and internal audits. The Group establishes and maintains robust policies and compliance processes to ensure the integrity of its tax returns, and timely and accurate tax payments in all countries in which it operates. This includes ensuring that the Group Tax team has the necessary training to manage tax positions appropriately and access to external advisors. This training and communication is extended to business units where appropriate.

The Vita Group Tax Strategy applies alongside the Anti-bribery and Corruption Policy, Code of Business Conduct Policy and Transfer Pricing Policy. All employees are expected to adhere to the Code of Business Conduct Policy which states that Vita does not tolerate tax evasion or the assisting taxpayers in the evasion of tax under any circumstances in any country.

## **5 Tax planning: Our approach**

Vita believes that it should pay the amounts of tax legally due and does not have an aggressive attitude towards tax planning.

Vita's tax planning aims to support the commercial needs of the business by ensuring that the Group's affairs are carried out in the most tax efficient manner, whilst seeking to maintain a low level of tax risk as determined by the Board. This includes seeking to benefit from available tax reliefs and incentives in line with the applicable legislation.

Occasionally, there may be situations where the amount due may not be clearly defined, or where alternative approaches may result in differing tax results. In these instances, the Group uses its best judgement in determining the appropriate course of action. The Group may seek advice from external tax advisers in respect of any significant uncertainty, evaluating risk areas, adhering to new or complex tax laws and implementing best practice.

Vita uses any tax planning opportunities and reliefs in the spirit in which they were designed to be used, ensuring that planning reflects and follows the true commercial activities of the Group. Vita does not enter into contrived, artificial or abusive arrangements to gain a tax advantage.

## **6 Tax risks**

Vita assumes a conservative approach to tax risk and the adoption of tax positions. The Group considers the level of risk which it accepts in relation to tax is consistent with its overall objective of achieving compliance and transparency in its tax affairs.

The Group assesses the level of risk and certainty including collaboration at senior level to determine the Group's position on a tax position, such as consultation between tax, finance and legal functions within the Group. This ensures that risks remain in line with the Group's risk appetite and do not adversely impact the business.

Vita attempts to mitigate risks and uncertainty where possible by having clear internal tax and transfer pricing policies, procedures and internal controls, which are regularly reviewed and monitored. It values and takes very seriously its reputation as a responsible taxpayer.

Whilst the Group aims for certainty on the tax positions adopted, it is understood that there is always some level of tax risk associated with operating in multiple tax jurisdictions, frequent changes in tax laws and different tax authorities taking differing interpretations regarding the application of relevant tax legislation. Vita is committed to complying with prevailing tax legislation and therefore endeavours to ensure both the integrity of all reported tax numbers and compliance with all tax obligations across all Group companies. This includes the timely filing of all relevant tax returns and timely payment of all tax liabilities.

Where there is significant uncertainty or complexity in relation to a risk that directly or indirectly impacts Vita, advice is sought from external advisors and/or clarity sought from HMRC as appropriate.

## **7 Relationship with HM Revenue & Customs**

Vita operates on a basis of full openness and transparency in its approach to dealing with HMRC and any other tax authorities of the jurisdictions in which it operates.

Vita seeks to resolve on-going or disputed matters in a collaborative, courteous and timely manner and, where appropriate, actively engage with HMRC on a real-time basis to minimise tax risk as part of the Group's effective management of tax.

Vita does not take positions on tax matters that may create reputational risk or jeopardise the Group's good standing with tax authorities, however Vita is prepared to defend its position where it disagrees with a ruling or decision of a tax authority, having always first sought to resolve any disputed matters through active and transparent discussion.

Vita is committed to ensuring that the Group maintains ongoing compliance around submission deadlines for all applicable taxes and that positive and proactive working relationships are created with the tax authorities of the jurisdictions that Vita operates in.

## Appendix A – List of entities

1. Vita (Holdings) Limited
2. Vita (Group) Unlimited
3. Vita Treasury Limited
4. Vita Cellular Foams (UK) Limited
5. Vita Liquid Polymers Limited
6. Ball & Young Limited
7. Vita Industrial (UK) Limited
8. Vita International Limited
9. Vita Global Limited
10. Vita Global Holdings Limited
11. Vita Global Finco Limited
12. Vita Global Sigma Limited
13. Vita Technical Limited
14. Vita Technical Solutions Limited
15. Technical Foam Holdings Limited
16. Technical Foam Services Limited
17. Palma Topco Limited
18. Palma Bidco Limited
19. Palma Midco Limited
20. Usleep Limited
21. Vita Investments North America Limited
22. Vita Property Investments Limited - dissolved 13/12/22
23. Vitamol Limited - dissolved 18/01/22
24. Vitafibres Limited - dissolved 18/01/22
25. Caligen Foam Limited - dissolved 18/01/22
26. Vita Dormant Industries Limited - dissolved 18/01/22
27. Vita Dormant 10 Limited - dissolved 18/01/22
28. Vita Industrial Polymers Limited - dissolved 18/01/22
29. The Rossendale Combining Company Limited - dissolved 18/01/22
30. Vita Industrial (Poland) Limited - dissolved 22/03/22
31. Vita Industrial (Lithuania) Limited - dissolved 22/03/22
32. Vita Lithuania (UK) Limited - dissolved 22/03/22
33. British Vita Property UK (2) Limited - dissolved 26/07/22