

NoteMachine Group UK Tax Strategy

Introduction

This document sets out the strategy and approach of NM Money Holdings Limited and its subsidiaries (the Group) to the management of its tax affairs and the management of tax risk. This document has been approved by the Board of Directors.

This tax strategy relates to the period ended 30 June 2021 and will be re-published annually.

References to “tax”, “taxes”, or “UK taxation” are to taxes and duties set out in paragraph 15(1) of schedule 19 Finance Act 2016 which includes Corporation tax, Income tax, National Insurance Contributions, Value Added Tax, Insurance Premium Tax and Stamp Duty Land Tax.

Strategic context

Our culture is built on acting ethically, responsibly and with integrity to do the right thing. These principles provide the strong bedrock for how we conduct our own affairs as well as how we work with our customers.

Our ethical conduct informs how we behave, from the products and services we offer our customers, to how we treat our employees.

It also requires us to consider the taxes paid and collected on our business operations as an important part of the economic and social contribution we make to the wider society that we serve. This governs our approach to, and interactions with, tax authorities. As a result, the Group strives to pay the right amount of tax in accordance with legal requirements and consistent with our strong commitment to social responsibility.

Tax risk management

We are committed to being a responsible and compliant taxpayer in the countries where we operate (principally the UK). We define tax risk as the failure to pay the right amount of tax at the right time. The Group’s Finance function identifies and monitors tax risks and uncertain tax positions arising from the Group’s business operations and manages their resolution.

The group engages the services of external tax advisers where specialist expertise is required which the team of in-house finance professionals do not have, or where external assurance is considered necessary on an issue in which there is tax complexity. The Group is within the Senior Accounting Officer regime.

Within the Group’s internal control framework applicable to financial and tax reporting, processes relating to specific taxes are managed by appropriate employees to assess the tax risks and implement controls designed to identify and mitigate such risks.

Where we contract with suppliers, we ensure that we correctly deal with our tax obligations in respect of payments to them.

Level of Tax Risk

We aim to be recognised as a low risk and compliant business by HMRC and every tax authority with which we engage. The low level of risk that the Group accepts in relation to taxation is consistent with its objective of achieving certainty in the group’s tax affairs.

Tax can be very complex, so we approach our obligations with an appropriate level of analysis and consideration engaging external tax advisors where necessary.

Tax planning

The Group will only undertake tax planning that supports genuine commercial activity and which, in the opinion of the Group's finance function, is consistent with the intentions of Parliament when relevant laws were enacted. The Group will not undertake tax planning which we consider is likely to damage our business reputation or is not considered consistent with our ethical values. The Group will not engage in, facilitate or promote tax arrangements to third parties that we consider are contrary to the intentions of Parliament, or which could be contrary to any anti-abuse legislation.

Governance

Accountability for tax strategy and policy rests with the Group's Board of Directors. The Chief Financial Officer is the Senior Accounting Officer as defined in Schedule 46 Finance Act 2009 and has personal responsibility to ensure we have appropriate systems, processes and people to ensure the Group produces tax returns which calculate tax liabilities accurately.

The Board and the Chief Financial Officer delegate the day-to-day management of the Group's tax affairs to the Head of Finance and Payroll & Benefits manager. This includes the responsibility to ensure the Group complies with all tax obligations and that any tax planning undertaken is consistent with our business strategy and with this policy.

We maintain robust processes and controls which are designed to minimise the risk of errors arising which could impact the amount of tax we pay. These processes and controls are regularly monitored, reviewed and tested and underpin the submission of returns.

Relationship with tax authorities

We consider that tax authorities, and particularly HMRC in the UK, are important external stakeholders in our business.

Our policy is to engage openly and constructively with HMRC on matters relating to our tax affairs, we will make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.

Whilst we have historically had limited interaction with HMRC our policy is to develop a relationship of trust with them in which we adopt an open and transparent approach to promote cooperative compliance.

Finance Act

The publication of this document is compliant with the requirements of Schedule 19 Finance Act 2016.

May 2021