

Farrel Limited Tax Strategy

This document, approved by the board of directors of Farrel Limited, sets out the company's approach to conducting its tax affairs and mitigating where possible associated risks. The document is effective for the year ending 31 December 2017, and will remain in effect until any amendments approved by the board of directors.

The company is committed to:

- Following all applicable laws and regulations relating to its tax activities
- Maintaining an open and honest relationship with the tax authorities
- Alignment of the tax strategy, corporate governance and risk management.
- Applying diligence and care in our management of the processes & procedures of any tax related activities and ensuring that our tax governance is appropriate.
- Ensuring the company seeks professional advice in any tax or business activities where they may otherwise have been uncertain
- Staff having sufficient knowledge and / or experience to perform their tasks and duties in such a way as to ensure compliance with the tax strategy.
- Paying the correct amount of tax required

Risk Management and Governance:

The board of directors for Farrel Limited provide oversight of the company's risk management processes, through a combination of internal reviews, authorisation and escalation policies. Day to day tax risks are mitigated by the uses of approved systems coupled with staff experience and working knowledge. Additional technical advice is used where appropriate.

Tax Planning:

Where appropriate tax planning is used to support business activities and commercial activities. Farrel Limited does not engage in aggressive tax arrangements, the sole purpose of which is to obtain a tax advantage.

Tax Risks:

Potential tax risks that may arise from the commercial or economic activities of the business are considered by the directors and where necessary further professional advice is provided by the company advisors. The company has long established trading relationships with both customers and suppliers, risk can arise from new business activities or legislation.

Relationship with HMRC:

Farrel Limited is committed to the principles of openness and transparency with the tax authorities and adopts a proactive approach to tax issues. The company seeks to build and sustain relationships with the tax authorities that are based on the principles of cooperation and compliance.

Alan Newell – Senior Accounting Officer, Farrel Limited.