

SEDDON GROUP LIMITED

TAX STRATEGY



Year ending 31st December 2019

This document, approved by the board of Seddon Group Limited, sets out the group's approach to conducting its tax affairs and dealing with tax risks for the year ending 31 December 2019.

Seddon Group is committed to conduct its tax affairs consistent with the following objectives:

- Comply with all relevant laws and regulations relating to its tax activities;
- Maintain an open and honest relationship with the tax authorities, based on the concepts of integrity, collaboration and mutual trust;
- Apply diligence and care in the management of all risks associated with tax matters and to ensure governance procedures are appropriate;
- Use incentives and reliefs to minimize the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Risk management

We recognise that managing tax compliance across many functional areas of the business is increasingly complex. The group operates a robust risk management framework across the business. The responsibility for the operation of the group's tax affairs rests with the Group Finance Director, overseen by the Board of Directors. The subsidiary Finance Directors and Company Secretaries report to the Group Finance Director, and have day to day authority to manage the tax affairs of the relevant group companies. These individuals have the necessary experience and skill sets and will provide advice and guidance to the wider business. Our internal structure is set up to ensure:

- The Board of directors understand the importance of tax compliance and how it is achieved;
- There is a regular dialogue between the Board and those individuals tasked with the operation of our finance function regarding the way our business manages its tax risk;
- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

We keep under review how we meet our tax obligations by seeking external tax advice, investing in training for our staff and also how we manage our relationship with tax authorities.

Tax planning

We undertake tax planning as part of our overall business strategy and day to day operations. The Group'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 remaining compliant with all relevant legislation. The tax function is therefore involved in the commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In situations where the Group does not feel it has the necessary expert tax knowledge external advice may be sought to support the Group's decision making process. We do not undertake aggressive tax planning.

Tax risks

The Board sees compliance with tax legislation as key to managing our tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax is considered as part of our decision making process.

We have relationships with professional advisers which allow us to seek expert advice on specialist areas of tax. Our approach is to ensure we are compliant and to understand our responsibilities with regards to tax, rather than looking for ways to aggressively avoid payment of tax.

Relationship with HM Revenue and Customs

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC. We seek to arrange a face to face meeting with HMRC at least once each year. We employ the services of professional tax advisers to act as our agents, and in a number of cases they liaise with HMRC on our behalf. In particular the Group commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and to respond to queries and information requests on a timely basis;
- Seek to resolve issues with HMRC in a timely manner;
- Be open and transparent about decision making, governance and tax planning;
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.