

## **UK Tax Strategy - Year ended 31 December 2019**

This document is produced in accordance with the requirement under Section 161 and paragraph 16(2) Schedule 19 Finance Act 2016 for the Cordant Group (the Group) to publish its UK tax strategy and sets out the groups approach to tax.

### **Overview**

The tax strategy is owned by the Group's main board with responsibility for its day to day implementation delegated to the Finance Directors and Controllers of the relevant Group subsidiaries, who are qualified accountants with a broad understanding of tax principles and therefore are well placed to understand and guide the group's tax strategy.

Cordant Group is a responsible taxpayer committed to paying the correct amount of tax due under all relevant laws. The group's tax objectives and guiding principles are:

- to comply with all applicable tax laws and regulations;
- to utilise available tax reliefs where available in a manner which is consistent with the government's policy objectives;
- to be regarded as a low risk taxpayer;
- to adopt an open, honest and professional approach in our dealings with all tax authorities;
- to adopt the principles of collaborative working in its engagement with tax authorities.

### **Approach of the Group to risk management and governance arrangements**

The board of directors is responsible for determining Cordant Group's approach to tax. Senior Management in each of the Group's operating subsidiaries (with board guidance and oversight) is responsible for the Group's internal tax controls.

The Group has established reporting lines and appropriate delegated authorities and responsibilities to ensure clear accountability and communication of relevant information. It has engaged competent and qualified individuals with relevant skills and expertise (supplemented by external advisers where necessary) to manage our tax responsibilities.

Those responsible for tax matters regularly liaise with business units to monitor activity and discuss issues which could have a tax impact. This information feeds into our risk management process.

Cordant Group identifies the business activity and transactions undertaken to which the UK's various tax laws apply. A combination of appropriately qualified personnel (supplemented by external advisers where necessary), robust end to end compliance processes and effective systems ensures we manage the tax risks identified to allow the group to meet its primary tax objective of compliance with all tax laws.

Ongoing checks are made of processes and procedures to ensure staff responsible for processing tax related matters perform their functions correctly and diligently. This includes input from external advisers who review the work undertaken by internal staff and assist with the preparation of tax returns where needed.

**Attitude of the group towards tax planning (so as affecting UK taxation)**

The Group's approach to tax planning is to make use of tax reliefs which are intended to apply to the commercial transactions it undertakes. The Group would not undertake any transaction which it considers would adversely impact its reputation and commitment to social responsibility.

**The level of risk in relation to UK taxation that the group is prepared to accept**

Cordant Group's objective is to always apply the law correctly to its transactions and the Group strives for certainty in its tax positions in order to minimise tax risk. The Group recognises that tax legislation can be complex and subject to interpretation, consequently appropriate independent advice is taken, supported by full disclosure, to reduce any potential uncertainty as far as possible.

**The group's approach towards its dealings with HMRC**

Cordant Group adopts an open, honest and cooperative working relationship with its tax authorities. In so doing the Group seeks to develop and foster good working relationships with these tax authorities.