

ASCO Group Tax Strategy



ASCO

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ASCO GROUP - TAX STRATEGY

INTRODUCTION

This document sets out the Group's approach to conducting its tax affairs and dealing with tax risks. This document is effective for the year ending 31 December 2018 and will be reviewed annually.

ASCO Group is committed to:

- Paying the appropriate taxes in the countries in which it operates, in a timely fashion.
- Complying with all applicable laws and regulations relating to its tax activities in all jurisdictions in which it operates.
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- Ensuring that the tax strategy adopted is consistent with the Group's overall strategy
- Applying diligence and care in its management of tax risks and ensuring that its tax governance is appropriate.
- Using incentives and reliefs to minimise 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

Diligent care and judgement will be employed in assessing tax risks in order to consider and conclude on how these should be managed. Where there is uncertainty in how the relevant tax law should be interpreted or applied, external advice may be sought to support the Group's decision-making process.

When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The tax benefits and impact on the Group's reported result compared to the potential financial costs involved, including the risk of penalties and interest.
- The wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

TAX PLANNING

The Group has clearly defined lines of responsibility for its tax affairs, with decisions being taken in line with the Group's tax authority thresholds, ensuring that they are taken at an appropriate level.

The Group's tax planning is driven by the commercial needs of the business and anticipated future developments. Where alternative routes exist to achieve the same commercial results, the most tax efficient approach in compliance with all relevant laws will be followed.

The commercial needs of the business will in no circumstances override compliance with all applicable laws and regulation. The tax function is therefore involved in decision making and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to adequately assess the tax consequences, external advice may be sought to support the Group's decision making process.

APPROACH TOWARDS DEALINGS WITH HMRC

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in line with HMRC's framework for Cooperative Compliance published in 2015, the Group commits to:

- Adopt open and collaborative professional relationships at all times with HMRC.
- Engage in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions.
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Be open and transparent about decision-making, governance and tax planning.
- Structure transactions to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship.

Signed on behalf of ASCO Group



Marianne Lipp, Senior Accounting Officer