

Esh Group Tax

STRATEGY & POLICY

Policy Author

Alistair Law

Updated

December 2020

Policy Review Date

As needed, but minimum annually

Policy Owner

Alistair Law

Executive Director Finance

This Strategy and Policy has been developed by the Esh Group Board (Esh Investments Ltd and all its subsidiaries) and is communicated appropriately throughout the organisation and is published externally on the Esh Group website.

1. Guiding Principles

1. To always pay the appropriate amount of tax, on time and in full.
2. To foster positive and collaborative relationships with HMRC, being open and honest with HMRC and holding discussions with HMRC on a real-time basis, as and when required.
3. To reinforce a culture of tax compliance and non-aggressive tax planning across all the subsidiaries in the Esh Group.
4. To ensure internal transactional and financial processes ensure adherence to tax policies and regulations. In line with the overall Tax Strategy, the Group applies a low threshold for the level of tax risk that is acceptable to the business. Any transaction or activity, that may be perceived to expose the Group to tax risk beyond this, will be subject to review and approval by the Esh Group Board to determine whether the level of tax risk is acceptable or not.
5. To ensure the appropriate level of tax compliance expertise is sourced and recruited within the Group with specialist support from external advisors as required.
6. The Esh Group Board has a strict policy of not engaging in any tax schemes that would appear to be at odds with the spirit and intention of tax legislation.

2. Statutory Compliance

1. The Esh Group continues to have an aggregate turnover of more than £200m in respect of year ended 2018. Consequently, the Group is required to comply with the 'Senior Accounting Officer' regime set forth by HMRC.
2. This regime requires the Group to document, operate and test compliance with a standard set of tax processes and compliance procedures.
3. The Group has a documented risk and control environment which is subject to ongoing development and enhancement.
4. The Senior Accounting Officer signs off on these controls and compliance thereof annually. The Senior Accounting Officer carries personal liability for failure to comply with these requirements.

3. Accounting Practices & Tax Calculations

1. The Group's Finance Executive member of the Esh Group Board will be the Group's Senior Accounting Officer.
2. The Esh Group has a formal process to review all entries into the tax calculation to understand all items that adjust statutory profits to taxable profits.
3. The Esh Group requires formal agreement from the Group Executive Board for any items that adjust profits outside of the normal trading adjustments when arriving at taxable profits. This would include any specific arrangements sanctioned by HMRC that are unusual in nature.

4. Resources

1. The Esh Group employs from within, a reasonable amount of tax knowledge and expertise, that takes part in regular continuing professional development.
2. Furthermore, the Group engages the services of expert tax consultancy agents to support assurance in respect of overall compliance with external and internal policies and regulation, as well as assisting in the more technically demanding elements of the tax compliance framework.

5. Review & Oversight

1. The Group's Finance Executive member of the Esh Group Board assumes overall responsibility for tax compliance within the Group.
2. Process and control compliance are independently reviewed by the Esh Group Internal Audit function and these outcomes are reported periodically to the Group's Finance Executive member of the Esh Group Board.
3. As with all policies and procedures, the Esh Group strives for continuous improvement across its Governance Framework which is subject to ongoing assessment and enhancement.
4. All exceptions are reported to the Esh Group Executive Board for review, with compliance matters raised as a key part of the annual Group Audit Committee meeting.

Approved by Alistair Law, Executive Director Finance, on behalf of the Board.

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