

*Musgrave UK Tax Strategy 2018*

*Musgrave*

## Contents

Introduction .....	3
Tax Strategy.....	3
Compliance with laws, rules and regulations .....	3
Governance, Assurance and Tax Risk Management.....	3
Attitude to Tax Planning.....	4
Working with HMRC .....	4

## Introduction

Our published UK Tax Strategy satisfies Schedule 19 of the UK Finance Act 2016 in respect of our financial year ending 31 December 2017, and has been approved by the Group's Audit Committee. It sets out the policy and approach for Musgrave Northern Ireland in conducting its tax affairs and dealing with tax risk. The Tax Strategy will be reviewed annually by the Group's Tax Committee, and any amendments will be approved by the Audit Committee.

## Tax Strategy

Musgrave Northern Ireland is committed to conducting its tax affairs consistent with the following objectives, to:

1. Comply with applicable tax laws, rules, and regulations in meeting tax compliance and reporting requirements.
2. Ensure the Tax Strategy is consistent with Musgrave Group's overall strategy, approach to risk, and the Group Values.
3. Apply professional due diligence and care in the management of risks associated with tax matters, and ensure governance and assurance procedures are appropriate.
4. Foster constructive and professional relationships with HMRC, based on integrity, collaboration and mutual trust.
5. Use tax incentives and reliefs to minimise the tax costs of conducting its business activities.

## Compliance with laws, rules and regulations

Musgrave Northern Ireland will comply fully with all applicable tax laws, rules, and regulations in meeting its tax compliance and reporting responsibilities in the UK.

Musgrave promotes a strong tax compliance culture throughout the Group. A dedicated Group Tax team works with the Musgrave Northern Ireland businesses to provide advice and guidance necessary to ensure tax compliance, obtaining external professional tax advice where necessary. There are clear individual responsibilities in relation to tax compliance obligations and we ensure that the relevant individuals have sufficient tax knowledge and expertise to ensure that we meet those obligations. We conduct regular reviews of tax compliance policies and procedures.

## Governance, Assurance and Tax Risk Management

The Board of Musgrave Group Plc is ultimately responsible for the tax affairs of Musgrave Northern Ireland. The Audit Committee is a committee of the Board and has responsibility for overseeing the internal control and risk management systems of the Group (including Musgrave Northern Ireland), including those related to tax risk and compliance.

Musgrave Group Plc has a Tax Committee consisting of the Group Chief Financial Officer, the Group Tax and Treasury Controller and senior members of the Group Tax and Financial Control teams. The primary role of the Tax Committee is to ensure that the Group (including Musgrave Northern Ireland) meets its tax compliance obligations. The Tax Committee meets quarterly and reports to the Audit Committee on a bi-annual basis.

The Group Tax team (under the direction of the Tax Committee) has the authority and responsibility to manage the tax affairs of the Group including Musgrave Northern Ireland, and are appropriately qualified and experienced to fulfil this role. Group Tax coordinates and oversees specific tax compliance reviews supported where appropriate by external tax advisors and/or Group Internal Audit. The selection of the tax heads and areas of focus for these compliance reviews is based on judgemental assessment by the Tax Committee of the areas of tax risk, taking account of the size and complexity of the business and any changes within the business. This also ensures that the Musgrave Northern Ireland business has maintained appropriate tax accounting arrangements to comply with SAO Regulations.

## Attitude to Tax Planning

Musgrave Northern Ireland engages in tax planning that avails of existing tax incentives and reliefs, and is aligned with genuine commercial and economic activity. This means that the reputation of the Group and that of Musgrave Northern Ireland as a tax compliant business must be protected through tax planning that is prudent and appropriate to the commercial and financial needs of the business. Accordingly, appropriate external tax advice is sought for all material tax planning activities.

## Working with HMRC

Musgrave Northern Ireland operates an open and cooperative relationship with HMRC and all dealings with HMRC are conducted in a courteous, professional and timely manner. Musgrave Northern Ireland will be open and transparent about decision-making, governance and tax planning.

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