

## **John Guest Group Tax Strategy**

We (the John Guest Holdings Group) are a leading UK manufacturer providing push fit technology to customers in the UK and worldwide both directly and through a number of overseas subsidiaries. This document sets out the tax strategy of the John Guest Holdings Group and its subsidiary undertakings in the UK and abroad. The Group regards this publication as complying with its duty under Paragraph 16(2) of Schedule 19 of the Finance Act 2016. This statement was approved by the board of directors of John Guest Holdings Limited on 23 February 2018.

### **Our approach to risk management and governance arrangements:**

Tax risk is the risk that our tax reporting, returns or liabilities are inaccurate or incomplete, potentially leading to under or over collection or payment of tax, exposing us to tax authority sanctions as well as potential damage to our reputation. We are subject to the following principal taxes:

- corporation tax on the profits of our business;
- employer social security contributions on employment costs; and
- value added tax (or its equivalent) on relevant goods and services.

We also facilitate the withholding and payment of income tax and social security contributions from employee remuneration.

Our Board is responsible for managing tax risk within our Group and ensuring we have the controls in place, and appropriate skills within the wider finance team, to identify and manage risks.

The Group Financial Controller is our Senior Accounting Officer and they are responsible for reporting identified tax risks to the Board, and keeping the board updated on the progress of any required mitigating actions.

We will seek external tax advice in certain situations, for example:

- in respect of large, one off transactions, to ensure that we do not suffer any unforeseen or unreasonable tax outcomes;
- in areas where we may have insufficient internal expertise; and
- as a second opinion in cases where we believe there is uncertainty with respect to the application of tax law, although we may also approach HMRC directly, to seek clarity or obtain clearance.

### **Risk appetite – the level of risk the Group is willing to accept:**

Our appetite for tax risk is low. Our business model and operating structure is straightforward and not subject to significant judgement in the application of tax law, although risks are inherent in the business and will inevitably arise from time to time in relation to the interpretation of tax law. The Group proactively manages and monitors these risks. We do not seek to artificially manipulate our business affairs in order to unreasonably minimise our tax liabilities and aim to pay the right amount of tax in accordance with the spirit of the law in all jurisdictions where we have economic substance. We ensure that trading with our subsidiaries in other tax jurisdictions occurs at transfer pricing reflecting an arms-length principle.

**The Group's attitude to tax planning:**

We will only utilise legitimate tax reliefs for the purposes for which they were intended by Parliament, for example to support our continued investment in research and development. We do not:

- engage in aggressive tax planning;
- seek to structure transactions in an artificial manner whereby results are inconsistent with the underlying economic consequences; or
- promote tax avoidance or condone abusive tax practices which would contravene our ethics and culture or the law.

We believe in safeguarding our reputation and our relationships with clients, shareholders and tax authorities alike.

**Our approach to dealings with HMRC:**

- Our objective is to build a stable, transparent and professional working relationship with HMRC and other tax authorities.
- we believe in fostering trust and co-operation in our relationships with tax authorities.
- we take a proactive approach and take appropriate action in the event we discover errors or omissions; disclosing to HMRC, implementing remediation as quickly as is reasonably achievable and putting in place measures and controls to prevent recurrence.