

UK Tax Strategy for the year ended 31 March 2021

The tax strategy policy applies to the GRAHAM Group including all its UK entities.

This policy covers our approach to arranging our tax affairs. Our tax policy covers five key components:

1. Commitment to Compliance

The Graham Group's underpinning policy in relation to tax is to always aim to fully comply with legislation both in the letter of the law and the spirit of the law in all of the territories in which the Group operates, including the UK which is the Groups main place of business. Compliance is vitally important and as such controls are in place to ensure all tax returns are completed by experienced professionals and submitted on time with accurate and full disclosure. Any monies due to HMRC are remitted on time.

In publishing this strategy the Group regard this as satisfying the statutory obligation under Para 16(2) and para 17(4), Schedule 19, Finance Act 2016.

The Graham Group understand the importance of maintaining a good compliance record to ensure their low risk tax status with HMRC continues.

2. Our Attitude To Tax Planning

The Group view taxes like all other costs of doing business, while the Group will try to minimise the liability they will not use aggressive tax reduction schemes.

Graham Group conducts its tax affairs taking advantage of appropriate tax reliefs and having regard for stakeholders such as employees/shareholders.

In conducting our business affairs we will only undertake transactions that have both commercial and economic substance and will not be party to arrangements which are contrived or artificial. In arranging our tax affairs we acknowledge our responsibility to our stakeholders which include employees, shareholders and clients.

To ensure that tax is appropriately considered when structuring all commercial arrangements both internal specialists and external advisors where deemed necessary are involved in key business planning activities.

3. Tax Risk Management

Tax risks will inevitably arise from time to time in relation to the interpretation of tax law and the nature of our compliance arrangements. Being risk adverse, the Group will ensure that if faced with uncertain tax positions they will seek external legal and accounting advice having sought HMRC clearances where possible and/or if thought necessary following discussion with the Group's HMRC Customer Compliance Manager (CCM).

4. Working With Tax Authorities

The Group engage with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of co-operative compliance.

The Group will not take tax positions that may create reputational risk or jeopardise our good standing with the taxing authorities always seeking to resolve any disputed matters through transparent discussion and negotiation before considering litigation.

The Group has a dedicated Customer Compliance Manager (CCM) appointed within HMRC and the Group works with the CCM/ HMRC to ensure that its HMRC Tax Risk rating remains low risk.

5. Governance & Accountability

This strategy is approved by the Board, however, accountability for the day to day management of taxes is delegated to the Group Finance Director who ensures the appropriate people, processes and systems are in place to ensure compliance.

In certain circumstances, where tax decisions deviate from day to day compliance activities or there are issues with complex and /or material tax implications, The Group will engage with professional advisors and work closely with them to keep our tax affairs compliant.

COURTNEY MCCORMICK
Group Finance Director
John Graham Holdings Limited