

# UK Tax Strategy

## F.S Mackenzie Limited (FSM)

### Introduction

In accordance with the requirements of paragraph 16(2) of Schedule 19 of the Finance Act 2016, FSM presents its UK Tax Strategy. This tax strategy applies to all UK taxes applicable to the UK Company and has been approved by the Board of Directors of FSM.

The policy will be reviewed annually.

### Approach to risk management and governance arrangements

FSM has a low appetite towards tax risk and as such all significant tax decisions are agreed by the Financial Controller and the Chief Financial Officer and reviewed, monitored and endorsed by the Board.

FSM has clear tax policies, procedures and controls in place to meet the obligations of the Senior Accounting Officer legislation and are assessed through a central risk register. These are overseen by the Chief Financial Officer and Group Financial Controller, and are monitored and reviewed by internal teams and tax specialists.

As part of the continuous review of controls and procedures, the internal audit team examines areas of the business and its processes, including tax.

External tax advisors are on hand to provide tax advice and confirmation where required, for example when new legislation is introduced or on areas of uncertainty. External tax advisors also review the UK Corporation tax returns before they are filed to HMRC.

### Attitude towards tax planning

When entering into commercial transactions, FSM seeks to take advantage of available tax incentives, reliefs and exemptions which are consistent with the spirit as well as the letter of the tax law and takes external advice to confirm this if necessary.

### The level of risk in relation to UK taxation

FSM seeks to comply fully with its regulatory obligations and ensures the tax arrangements are consistent with a low tax risk approach to conducting its business.

FSM does not seek to structure transactions in ways that give tax results inconsistent with their underlying economic consequences.

Where the tax treatment of any particular material transaction is uncertain, external tax advice will be sought before proceeding with the transaction.

### The approach towards dealings with HMRC

FSM's approach to HMRC is transparent and constructive, resulting in a positive working relationship. FSM takes the initiative to raise with HMRC any doubtful or contentious issues.

FSM engages on a real-time basis with HMRC to ensure compliance and create certainty for the company and for customers in respect of the indirect taxes of VAT, Customs and Excise. This proactive approach helps the Company and customers to comply with the HMRC requirement of "right duty at the right time".

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