

# Ausurus Group – UK Tax strategy

## 31 December 2018

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### **Introduction**

The Ausurus Group (“The Group”) is a privately owned international group, whose operations consist of the recycling of high value commodities from a range of waste streams, such as end-of-life vehicles, durable consumer goods, industry, construction and demolition. The Group is actively engaged in all stages of the recycling supply chain including the acquisition, collection, processing of these waste streams and distribution of recycling commodities to the Group’s international customer base.

The Group incurs a variety of business taxes across the countries in which it operates. These include corporate income taxes and customs duties. The Group also collects and pays employee taxes and indirect taxes, such as VAT. The Group aims to be compliant with the legislative requirements of and, therefore, pay an appropriate amount of tax in each jurisdiction.

The purpose of this document is to fulfil The Group’s UK requirements, as stated at Paragraph 16(2) Schedule 19 Finance (No. 2) Act 2016. As such, a discussion of the following is set out below, solely in respect of UK Taxes ;

- The Group’s approach to risk management and governance arrangements in relation to UK taxation,
- The Group’s attitude towards tax planning (so far as affecting UK taxation),
- The level of risk in relation to UK taxation that The Group is prepared to accept, and
- The approach of The Group towards its dealing with HMRC.

This document will be reviewed by The Group’s CFO on an annual basis.

### **UK Tax Risk Management**

The Group has established and maintains robust compliance processes to ensure the accuracy of Group tax returns and timely taxation payments. At Board level, the Group CFO is responsible for the Group’s tax affairs. The Group also employs a Group Tax Manager, who oversees the day to day running of the Group’s tax compliance processes, together with suitably qualified members of the wider finance team. Key tax documents and calculations are reviewed and approved by both the

Director of Group Finances and the Group CFO. Particularly complex or material tax treatments are also reviewed by an external advisor prior to submission of the relevant returns to HMRC.

Key areas of tax risk for The Group exist where UK tax legislation changes or could be subject to multiple interpretations. Part of the Group Tax Manager's responsibility is to ensure that the Group is aware of and understands legislative changes, through the various technical sources made available to them. External advice is obtained where legislative provisions are considered to be particularly complex or unclear.

### **UK Tax Planning**

The Group's tax planning is primarily driven by the commercial and economic requirements of the business. Where a substantive transaction is proposed, the following factors will feed into the decision as to how to structure that transaction;

- Impact on the post-tax profits of The Group,
- Impact on The Group's cash flow, and
- Reputational impact.

Any material tax planning opportunities will be considered by the Group CFO and, where appropriate, the Board. External professional advice is sought where tax planning is considered to be large, complex or uncertain.

Full disclosure of any relevant planning undertaken by the Group will be made in line with legal disclosure requirements and criteria set out by HMRC. Any clearances sought from HMRC will be based on a full and accurate account of the relevant facts.

Tax incentives and exemptions implemented by the UK government to support investment, employment and economic development are applied by The Group in the manner intended.

The Group pays an appropriate amount of tax in each of the jurisdictions in which it operates, in line with the arm's length principle of transfer pricing.

### **Acceptable level of tax risk**

The Group is not prescriptive about the level of risk it is prepared to accept. Its overall aim is to manage tax risk and safeguard shareholder value, within the framework of the legal requirements of each of the jurisdictions in which it operates. The Group considers itself to have a low appetite for tax risk.

**Relationship with HMRC**

The Group seeks to maintain an open and professional relationship with HMRC in relation to its tax arrangements. It commits to provide complete and timely access to information requested by HMRC and, where disclosure of the Group's tax affairs to HMRC is required by law, full disclosures will be made.