

# Draft Tax Strategy



## CONTEXT

Schedule 19 of the Finance Act 2016 requires certain large companies in the UK to publish their Tax Strategy. The legislation applies to Edinburgh Airport Limited and all other UK entities within the same group, as defined by HMRC. This document sets out the Edinburgh Airport Group's ['Group'] tax strategy in relation to UK tax in accordance with these requirements.

Edinburgh Airport Limited is the operator of Edinburgh Airport and the Group's main trading entity. A full list of the Group members is included in Appendix 1.

The Group's activities are conducted entirely within the UK, there are no overseas operations.

## OVERVIEW

The Group's activities are diverse in nature, albeit all taxes paid are in relation to operations within the UK from one site. All profits are subject to UK Corporation Tax. The Group pays a range of UK taxes including Corporation Tax, VAT, employment taxes and business rates.

The Group takes its corporate responsibility to operate within and adhere to the UK's tax laws seriously. The Group is committed to pay the correct amount of tax to HMRC in a timely manner. The Group seeks to operate within both the letter and spirit of the UK's tax laws at all times.

## TIMEFRAME

This Tax Strategy relates to the year ended 31st December 2020. The Group's Tax Strategy is updated annually, in line with HMRC most recent requirements.

## LEGISLATIVE REQUIREMENTS

The Group had turnover in excess of £200m in the year ended 31 December 2019; therefore, the provisions of the Finance Act 2016 require the Group to publish a tax strategy which specifically covers the following:

1. The approach of the Group to risk management and governance arrangements in relation to UK taxation;
2. The attitude of the Group towards tax planning (so far as affecting UK taxation);
3. The level of risk in relation to UK tax that the Group is prepared to accept; and
4. The approach of the Group towards its dealings with HMRC.

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## APPROACH OF THE GROUP TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS IN RELATION TO UK TAXATION

Given the volume and diversity of tax obligations the Group faces, risk with interpretation of legislation and compliance is inevitable. The Group seeks to identify, evaluate, monitor and manage risks to a level that is acceptable and in line with the overall business strategy and objectives. The Group has implemented robust controls and procedures to ensure ongoing compliance with UK tax legislation.

Where there is uncertainty or complexity in relation to interpretation or application of tax obligations, the Group will seek external professional advice.

The Group's Tax Strategy is aligned to and supports the overall business strategy. Overall responsibility for the Group's tax risk rests with The Board. The Chief Financial Officer maintains executive responsibility for tax matters, managing associated risk and for fulfilling compliance requirements. Day to day management of all Group tax is delegated to the Head of Financial Control & Risk and the HR Director. The Chief Financial Officer meets regularly with the Head of Financial Control & Risk the HR Director to consider tax risks and the potential impact on the Group.

The Group is committed to taking the reasonable procedures to prevent the facilitation of tax evasion and has implemented procedures accordingly.

## ATTITUDE OF THE GROUP TOWARDS TAX PLANNING

The Group seeks to utilise available tax reliefs, incentives and exemptions as part of its commercial operations in line with the spirit as well as the letter of tax legislation. Tax planning is always consistent with the Group's commercial objectives.

The Group does not have any tax arrangements which could be considered contrived or artificial.

## THE LEVEL OF RISK IN RELATION TO UK TAX THAT THE GROUP IS PREPARED TO ACCEPT

The level of risk the Group is willing to accept in relation to UK tax is consistent with the Group taking its corporate responsibility to operate within and adhere to the UK's tax laws seriously. The Group therefore has a low tax risk appetite.

The Group seeks to identify, evaluate, monitor and manage tax risks to a level that is acceptable and in line with the overall business strategy and objectives.

## THE APPROACH OF THE GROUP TOWARDS ITS DEALINGS WITH HMRC

The Group strives to engage with HMRC in an open and honest manner, seeking to create a constructive and co-operative relationship with mutual respect. The Group makes fair, accurate and timely disclosures and returns to HMRC. All queries and requests for further information are dealt with in a timely manner.

The Group seeks interprets UK tax law in a reasonable and pragmatic way.

All errors identified in submissions are fully disclosed to HMRC as soon as it is reasonably practical.

**1 December 2020**

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## **APPENDIX 1**

Current members of the Green Topco Limited Group and covered by this Tax Strategy, per update 1 December 2020:

- Green Topco Limited
- Green Midco Limited
- Green Bidco Limited
- Crosswind Developments Limited
- Edinburgh Airport Services Limited
- Edinburgh Airport Limited