

This document sets out Langdon Group's UK tax strategy and how the UK entities manage their tax affairs in line with this strategy.

Approved by the Board of Directors of Langdon Group on 13 December 2018.

## **LANGDON GROUP LTD Tax Strategy**

**Financial Year ended 31 December 2018**

### **Scope**

This strategy applies to Langdon Group Limited and all its subsidiaries in accordance with paragraphs 19 and 25 of Schedule 19 to the Finance Act 2016 for the year ended 31 December 2018. In this strategy, references to 'LANGDON GROUP LTD', 'the firm' or 'the group' are to all these entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

The Group's UK tax strategy is regularly reviewed and approved by the LANGDON GROUP LTD's Board of Directors and by the Corporate Finance & Controlling Department of Kraftverkehr Nagel SE & Co. KG, acting in behalf of Nagel -Group SE & Co. KG, the ultimate parent company.

### **Aim**

The Group recognizes its responsibility which is to deliver value to shareholders, as well as pay taxes arising from its business activities that contribute to the societies where it operates. LANGDON GROUP LTD is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with LANGDON GROUP LTD's overall high standards of governance. The Group aims for its tax affairs to be transparent, sustainable and well governed.

### **Governance in relation to UK taxation**

- Primary responsibility for LANGDON GROUP LTD's tax strategy and compliance rests with the Board of LANGDON GROUP LTD. As part of a multinational group the UK entities are aligned with and follow the wider Nagel-Group guiding principles, code of conduct and tax policy for the Nagel-Group. They are committed to provide transparent and accessible information to tax administrations in order to facilitate the understanding of Nagel-Group's tax strategy and the underlying business model;
- The Nagel-Group is responsible for the compliance of tax issues in the countries they operate in. It has a central tax team with knowledgeable professionals. This team seek to provide supporting assistance in terms of tax and structural approach for LANGDON GROUP LTD when solicited. The Nagel-Group strictly seeks compliance with the legal frameworks set by national legislators, and meets internationally recognised standards by applying transfer pricing policies such as the arms-length principle (as set by OECD TP Guidelines 2017). This approach is consistent taking in jurisdictions that Nagel-Group operates in and ensuring appropriate remuneration where the

value is created. In terms of the internal approval procedure this internal team holds the decision making power for regulatory tax related matters. Decisions which are not required by local legislation are discussed and have to be approved by the Supervisory Board of Nagel-Group.

- With the constantly changing tax environment the Groups' tax affairs and tax risk are regularly reviewed. Our aim is to keep up-to-date with the relevant knowledge and skills to identify, assess, manage and mitigate tax risk in order to comply with the relevant tax legislations.
- The Internal Audit & Risk Committee of Kraftverkehr Nagel SE & Co. KG acting in behalf of Nagel - Group SE & Co. KG, the ultimate parent company, monitors the integrity of LANGDON GROUP LTD's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Finance Director is the Board member with executive responsibility for tax matters;
- Day-to-day management of LANGDON GROUP LTD's tax affairs is delegated to the Finance Director, who reports to the Head of Corporate Finance & Controlling at Nagel-Group, also responsible for national and international tax matters;
- The Corporate Finance & Controlling team at Nagel-Group (ultimate parent company) is staffed with appropriately qualified individuals;
- The Board ensures that LANGDON GROUP LTD's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Finance Director reports to the Audit and Risk Committee at Nagel-Group and the Board on LANGDON GROUP LTD's tax affairs and risks during the year.

### **Risk Management**

- LANGDON GROUP LTD operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Nagel-Group's financial reporting systems;
- LANGDON GROUP LTD aims to consider the Group's reputation, brand and corporate and social responsibilities in terms of tax;
- LANGDON GROUP LTD seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- LANGDON GROUP LTD aims to meet all legal requirements, submit all relevant tax returns and makes accurate tax payment on time;
- LANGDON GROUP LTD aims to consider tax as part of every major business decision;
- LANGDON GROUP LTD is willing to work with HMRC and other relevant tax authorities in order to fully comply with the local tax rules;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

### **Attitude towards tax planning and level of risk**

LANGDON GROUP LTD manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, LANGDON GROUP LTD seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. LANGDON GROUP LTD does not undertake tax planning unrelated to such commercial transactions.

The level of risk which LANGDON GROUP LTD accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. The Group has low tolerance for accepted tax risk and they always aim to have low tax risk and tax is not a driver of our business decisions. The Group also has low tolerance for tax risks for errors or omissions on and/or late submission of tax returns/tax payments for routine and established tax compliance obligations.

At all times LANGDON GROUP LTD seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

### **Relationship with HMRC**

LANGDON GROUP LTD seeks to have a transparent and constructive relationship with HMRC through communication, when required, in respect of significant developments in LANGDON GROUP LTD's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes. In the UK the Group does not have an appointed CRM with HMRC.

LANGDON GROUP LTD ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, LANGDON GROUP LTD discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

### **List of entities covered by this Tax Strategy**

LANGDON GROUP LTD includes the following entities:

- **Nagel Langdons Ltd**
- **Langdon Group Ltd**
- **Chillnet Ltd**
- **Nagel Group Ltd**
- **Ferryline Forwarding Ltd**
- **Langdons Bridgwater Ltd**