

Tax Strategy Statement

Year to 28 February 2021

Introduction and scope

Tax is an important issue for the company, our stakeholders and our customers. As a group, we aim to be fully compliant with all tax rules and regulations, provide appropriate full disclosure and manage tax risks in a prudent manner. We aim to be a responsible corporate citizen, contributing the right amount of tax to society on right time, in each of our tax jurisdictions, claiming reliefs and incentives where available whilst maintaining our integrity and corporate reputation and continuing to deliver value for our shareholders.

In this statement, we set out our strategy for conducting our tax affairs and managing tax risks in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016 ('the Schedule') as it applies to Liquid Telecommunications Limited and its UK subsidiary companies. By publishing this strategy, the Group is complying with the requirements of the Schedule. Although not a requirement for other companies in the group, we apply the principles set out in this document to all our subsidiaries.

Commitment to compliance

We are committed to complying with tax law and practice in the UK. For us, compliance means paying the correct amount of tax in the right place at the right time and claiming reliefs and incentives where available. This involves disclosing all relevant facts and circumstances to the tax authorities and operating in line with the commitments of this strategy. Tax compliance is managed in house, with reference to external advisers where appropriate. The tax function is accountable to the CFO and provides regular updates to the Audit Committee on tax reporting, developments in the group and changes in tax legislation.

Approach to tax planning

In structuring our commercial activities we always consider – among other factors – the tax laws of the countries in which we operate, whilst maintaining a high level of integrity with a view to maximising sustainable value for our shareholders. Any tax planning undertaken will have commercial and economic substance and will have regard to the potential impact on our reputation and broader corporate goals. We avoid planning that is contrived or artificial and do not seek out aggressive tax structures.

Risk management

It is inevitable that risks will arise from time to time from the interpretation of tax law and our compliance position. We manage our exposure to tax risk by proactively seeking to identify, evaluate, manage and monitor these risks in order to minimise these risks. We conduct our tax planning responsibly and seek external advice where there is significant uncertainty or complexity.

Approach to dealing with tax authorities

We maintain an open and honest relationship in our dealings with tax authorities, and engage with integrity, respect and in a spirit of co-operative compliance. Where disagreements arise, our first course of action is to seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.