



## UK Tax Strategy 2021

This document is produced in accordance with the requirement under Section 161 and Schedule 19 Finance Act 2016 for AirTanker to publish the group's tax strategy online; AirTanker regards the publication of this document as complying with its obligations under paragraph 16(2) of the Finance Act 2016 for the current financial year. The companies to which this tax strategy applies are:

- AirTanker Holdings Limited
- AirTanker Finance Limited
- AirTanker Limited

The term "AirTanker" is used throughout this document to refer to the group's companies and their operations.

### *Business context for the tax strategy*

AirTanker is a joint venture which since 2008 has been delivering the Future Strategic Tanker Aircraft (FSTA) contract for the UK Ministry of Defence; as part of the performance of this contract it acquired fourteen Voyager aircraft to provide air to air refuelling, air transport, and various ancillary services to the UK MOD. AirTanker is a UK based group whose services are deployed around the world (further details of our services can be found on our website); all AirTanker's activities are subject to UK tax.

The UK Government is a key stakeholder and maintaining trust in how we manage all aspects of our business, including our approach to tax, is key to our success. AirTanker's tax strategy follows its commercial activity with all applicable tax law being applied to the group's transactions in accordance with precedent and practice; independent tax advice is taken where necessary to assist in achieving this objective.

### *Guiding tax principles*

AirTanker's tax strategy is owned by the Company's Board of Directors with day to day responsibility for operation delegated to the group's Chief Financial Officer. Accordingly the board is responsible for AirTanker's tax objectives and guiding principles. These are:

- to comply with all applicable tax law and regulations;
- to utilise available tax reliefs in a manner which is consistent with the policy objective;
- to adopt an open, honest and professional approach in its dealings with HMRC; and
- to work collaboratively with HMRC in the event that engagement is needed.

## Approach of the group to risk management and governance arrangements

Senior management and the board of directors are responsible for determining AirTanker's approach to tax. Senior management, with board oversight, is responsible for AirTanker's internal tax controls which comprise the following elements:

### *Control environment*

Senior management:

- has established reporting lines with appropriate delegated authorities and responsibilities to provide for clear accountability and information flows;
- has engaged competent and qualified individuals with relevant skills and expertise to carry out assigned responsibilities;
- has ensured internal resource is supplemented by external advisers where necessary; and
- holds individuals accountable for their internal control responsibilities.

### *Tax risk identification and assessment*

AirTanker, in conjunction with its advisors, conducts a process of tax risk identification based on the business activity and transactions undertaken. Having identified transactions which are required to be treated in a particular way for tax purposes, AirTanker ensures the correct treatment is applied through analysis by qualified staff and by taking appropriate external advice where necessary. AirTanker has also put in place reasonable prevention measures to prevent the facilitation of tax evasion by its employees, or any person associated with the group.

### *Processes and controls*

Tax processes and controls are established to ensure that the tax sensitive business transactions identified are correctly processed in the relevant returns. Controls also exist to prevent employees, service providers, agents, suppliers and customers from engaging in, or facilitating, tax evasion. These controls include verifications, explanations, reconciliations, and review. These processes include input from external advisers who review the work undertaken by internal staff where additional expertise is required and who supplement internal resource by preparing tax returns on behalf of AirTanker.

### *Information and communication*

Management ensures that the necessary information to support accurate tax filings is available and effectively communicated both internally and externally, to ensure tax obligations are met. The company has a zero tolerance policy towards criminal facilitation of tax evasion, whether under UK law or under the law of any foreign country and training is provided to all staff to raise awareness and understanding of this issue.

### *Monitoring activity*

Ongoing checks are made of financial and tax processes and procedures, with assistance from external auditors to ensure that staff responsible for processing transactions perform their functions correctly and diligently. External advisers also provide oversight and assurance when reviewing tax returns, and as part of periodic updates with them where details are shared of business activity and they provide input on tax law developments.

The finance function reports periodically to the group's audit committee and other internal committees on how tax risks are managed and controlled.

## Attitude of the group towards tax planning

AirTanker's approach to tax planning is to make use of tax reliefs which apply to the commercial transactions it undertakes. The group will not undertake tax planning it considers could be regarded as contrary to the generally accepted legislative intention.

## The level of risk in relation to UK taxation that the group is prepared to accept

AirTanker aims to apply the law correctly to all its transactions and in so doing strives to minimise tax risk. AirTanker recognises that tax legislation can be complex and subject to interpretation, consequently appropriate independent advice is taken if needed to reduce any potential uncertainty as far as possible. Should significant uncertainty remain after taking independent advice, agreement to the proposed tax treatment would be sought from HMRC. As noted above, AirTanker has a zero tolerance policy towards criminal facilitation of tax evasion.

## The group's approach towards its dealings with HMRC

AirTanker adopts an open, cooperative and professional working with HMRC. AirTanker engages with HMRC on any matters that could have a material impact on AirTanker's tax position, to ensure our respective views are known and ideally that agreement is reached, thereby minimising any tax uncertainty. In the unlikely event of a tax disagreement with HMRC, the group's policy would be to work collaboratively with HMRC to seek to resolve the matter by agreement where possible.