



Hill & Smith PLC – Tax Strategy

This strategy applies to Hill & Smith PLC and all UK entities in its Group, for the financial year ending 31 December 2023.

Commentary

All our stakeholders stand to benefit when we achieve sustainable growth and this principle is central to the way we balance their interests in respect of the management of taxes.

Tax is considered in all significant business decisions. This allows us to understand and acknowledge the tax implications of such decisions and transactions.

We are committed to compliance with all UK and international tax legislation and the timely and correct filing of returns and payment of taxes due to local authorities in all jurisdictions in which we operate. We follow the terms of applicable double taxation treaties and OECD guidelines in dealing with matters such as establishing taxable presence and transfer pricing, which is conducted under ‘arm’s length’ principles.

Our focus on costs includes consideration of tax costs. As such, we seek to conduct our business efficiently from a tax perspective, which may include responding to government tax incentives (both in the UK and internationally) and structuring arrangements in a tax efficient manner. However, we commit not to transfer value created to low tax jurisdictions, not to use tax structures intended for tax avoidance and not to use secrecy jurisdictions or so-called ‘tax havens’.

Where we decide to seek tax efficiencies, the risks associated with the decision and its implementation are controlled. Risks will inevitably arise from time to time in relation to the interpretation of tax law, both in the UK and in other jurisdictions, and the nature of our compliance arrangements. We proactively seek to identify, evaluate, manage and monitor these risks to ensure that they remain in line with the Group’s risk appetite. When there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

We conduct our dealings with tax authorities in both the UK (HMRC) and in other jurisdictions with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Where we disagree with a ruling or decision of a tax authority, we will first seek to resolve any disputed matters through proactive and transparent discussion and negotiation.

This strategy is aligned with our Group Code of Business Conduct and the Board of Directors has responsibility for its approval and ownership.

The publication of this strategy complies with the requirements of the Finance Act 2016 Schedule 19, paragraph 16(2).