



## ETS PORTSMOUTH LIMITED TAX STRATEGY

### Introduction

As required by Paragraph 16(2) Schedule 19 Finance Act 2016, the following represents the tax strategy of ETS Portsmouth Limited for the year ended 31 March 2021.

The tax strategy has been approved by the Board of Directors; it is reviewed annually and updated as appropriate.

ETS Portsmouth Limited is committed to compliance with all tax laws in the UK, Ireland and all countries where it operates. As a wholly owned subsidiary of Addtech AB, we aim to be tax compliant and all taxes are paid at the correct time and according to local laws and regulations.

### Governance

The ETS Portsmouth Board of Directors is responsible for overseeing the local tax strategy however; the Addtech AB Group Directors has ultimate governance in this area.

It is the responsibility of the UK company to advise the Group of all taxation issues as soon as they become aware of these.

### Attitude to Risk and Risk management

The company has a low tolerance to tax risk and operates in a responsible and proactive manner to ensure compliance with tax guidance and legislation. There are multiple internal controls in place, which are monitored and implemented by the Finance Department. The principal tax exposures are corporation tax, VAT and indirect and direct employment taxes.

We rely on external tax advisors and professionals to ensure the company is compliant; taxes are calculated correctly, and reported on a timely basis. Payment of taxes to deadline is administered internally by the Finance Department who report to the Board of Directors.

With extensive export trading, both to the EU and worldwide, VAT is a key risk therefore, we actively engage with specialist external VAT advisors to ensure compliance with regime requirements. The company operates dual VAT registrations and non UK VAT submissions are prepared and submitted on our behalf by our external tax advisors.

ETS Portsmouth does not operate strategies or practises that seek to reduce the tax base or transfer profits for tax saving purposes. A Transfer Pricing Agreement (policy) is in place at the Addtech AB Group level whilst ETS Portsmouth operates a separate agreement, with its internal subsidiary. These agreements reflect the substance of the business relationship between the entities and ensure application of the arm's length principle.

### Tax planning

We do not undertake tax planning however, where required by the business or commercial operations, we engage openly with HMRC and qualified personnel in this field to consider the tax obligations and consequences.

### Dealing with HMRC

ETS Portsmouth is committed to open and transparent relationship with all tax authorities and ensure full collaboration as and when required. To enhance this relationship and involve all interested parties, our external tax accountants also operate as our Tax agents. The Finance Department is aware of the need to be accurate when dealing with any statutory requirements and ensuring professional behaviour.

