

## **Water Plus Group Tax Strategy**

This document sets out Water Plus Group's approach to tax risks for the financial year ending 31 March 2018, which is the first financial year commencing after Finance Act 2016 was granted Royal Assent.

The Group's tax strategy applies to Water Plus Group Limited and its subsidiaries; Water Plus Limited and Water Plus Select Limited. We consider this document, which has been approved by the Water Plus Group Board of Directors on 14 March 2018, to be in line with Finance Act 2016 Schedule 19, paragraph 16.

Water Plus Group are committed to the following:

- Ensuring that internal controls and processes are adopted and refined where appropriate to ensure adequate tax accounting arrangements;
- Adhering to tax law and regulations and ensuring that correct tax payments and submissions are made to HM Revenue and Customs ("HMRC") in a timely manner; and
- Establishing a strong professional relationship with HMRC based on full co-operation and disclosure.

### **Tax risk management**

Since the formation of Water Plus Group on 1 June 2016, there has been a great focus on establishing internal controls and processes to ensure that tax risks are managed appropriately. These processes and controls continue to be reviewed and refined where necessary, to build a strong control environment.

The Chief Financial Officer oversees internal controls and processes which are monitored by the tax function. Senior management are aware of tax risks and encourage a robust control environment. Tax issues are discussed at Board meetings where relevant and the Senior Accounting Officer regime is on the agenda at Board meetings on an annual basis.

Water Plus Group employ a qualified tax professional to manage tax compliance and the relationship with HMRC. Efficient systems have been adopted to promote robust tax accounting arrangements.

### **Tax Planning**

Water Plus Group take a straight forward and transparent approach to tax planning with the aim to ensure Water Plus Group is tax efficient whilst maintaining compliance with tax law and guidelines.

Water Plus Group do not undertake any aggressive tax planning.

Water Plus Group have identified the main tax risk areas and conducted additional testing to ensure compliance with HMRC rules.

## **Tax risks**

Tax risks are monitored by the tax function and consistently reviewed for any new legislation. Where necessary external advice is sought from legal and tax advisors.

Each tax risk identified has been given a risk rating with priority being given to those risks that have higher impact in terms of value and frequency.

Water Plus Group aims to maintain a low level of tax risk. Accordingly, Water Plus Group have a low rigid level of acceptable risk on its risk register. All identified tax risks on its register need to demonstrate adequate controls to mitigate the risk.

## **Relationship with HM Revenue & Customs**

Water Plus Group are committed to establishing a strong relationship with HMRC by having open and honest conversations in respect of any tax issues that may arise.

The tax function will liaise with HMRC directly, as and when required, and will work collaboratively with HMRC. Water Plus Group will notify HMRC of any upcoming transactions which may have a tax consequence / impact.

In the event of enquiries being raised by HMRC, Water Plus Group will work with HMRC to resolve them in a timely and co-operative manner.

The tax function will continue to build a relationship with HMRC as the business grows.