

# **Mapeley Group**

## **Tax Strategy for the year ending December 2018**

*This document has been prepared to satisfy the Group's commercial objectives and to comply with the UK legislation set out in Finance Act 2016.*

The following strategy has been in place for the year ending 31 December 2018.

### ***Summary***

- The Mapeley group of companies is a commercial landlord and is liable for corporation tax or income tax on the profits of its rental business, dependent on whether that rental business is owned by a UK group company or non-UK group company.
- In addition, the Group also pays other taxes such as empty business rates, VAT, PAYE, NI and SDLT as these taxes arise.
- Mapeley has a strong record of timely submission of all tax compliance documents to HMRC. Any tax planning undertaken is done to improve the Group's tax efficiency, at all times ensuring full compliance with the tax laws in each of the jurisdictions in which it operates.
- The Group works to maintain its open relationship with HMRC.

### ***Introduction***

Mapeley Limited (the 'Company') is the holding company of a group of companies ('Mapeley' or 'Group') established in 1999 whose core business is the acquisition, ownership and management of a diverse portfolio of commercial properties primarily let to strong credit quality occupiers.

In addition to tax on its rental business profits, the Group is subject to other taxes which include:

- Stamp duty/SDLT;
- Empty rates in respect of vacant space;
- Employers NI; and
- Irrecoverable VAT.

### ***Mapeley's approach to governance and tax risk management***

The governance of the Group is led by the board of directors of the Company (the 'Board'). The Board believes that good governance is based on understanding the risks the Group faces and creating appropriate strategies to manage each risk. This involves appropriate oversight, good communication and transparency in how the Group operates. The Group strives to engrain high levels of integrity in its employees with the objective of ensuring robust and prudent risk management practices.

The Board is responsible for the Group's tax strategy and tax risks but day to day responsibility is delegated to the Chief Financial Officer who oversees the work of the Group's tax team which includes the Group

Financial Controller and Group Reporting Manager who are both chartered accountants with combined relevant experience of over 20 years. Together they are responsible for all tax issues in respect of both transactions and compliance matters.

The tax team identifies and manages UK tax risk by using its knowledge of the Group's operations and UK tax legislation. They do this by:

- Regular communication across the business to identify any significant transactions;
- Monitoring proposed changes in UK tax legislation to identify potential impacts on the Group;
- Discussion with appropriately qualified third party advisers; and
- Engagement with HMRC, which may include seeking pre-clearance on areas of uncertainty.

The tax team takes significant care in preparing tax returns which are clear, comprehensive, accurate and timely and has detailed internal review procedures and controls which assist the Group's Senior Accounting Officer (the Chief Financial Officer) to certify to HMRC on an annual basis that the Group's tax accounting arrangements are appropriate.

### ***Mapeley's approach to tax planning***

The Group operates to ensure full compliance with the tax laws of the jurisdictions in which it operates and any tax planning reflects this. The Group believes it is important to plan its business operations so that it can comply with UK and foreign tax obligations and it believes it is important to consider the tax consequences of significant transactions before carrying them out. Where there are alternative methods to achieve the same commercial result the Group will consider all relevant factors, including taxation, before deciding on the best method.

The tax team is consulted on the tax consequences of major potential transactions including acquisitions and disposals to ensure tax impacts are correctly calculated. The tax team decides when to consult external advisors on the tax implications of a potential transaction which is typically done where the transaction is of a new type to the Group, or is of significant scale, or where they are aware of recent or pending changes in relevant tax legislation.

### ***Level of tax risk***

In accordance with the strategy approved by the Board, the Group takes the same approach to tax risk as it does to other risks in the business. The Group recognises there is always some level of risk on taxation due to:

- The complexity of taxes, including frequent changes in laws;
- The scope for disagreement over the interpretation of laws, meaning that tax authorities may take a different view of the application of legislation; and
- The variety and volume of different taxes that affect the Group's activities.

### ***Relationships with tax authorities***

The Group is committed to the principles of openness and transparency in its approach to dealing with tax authorities. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner.

Due to the size of its business, the Group has an HMRC Customer Compliance Manager (CCM) who is responsible for the relationship between Mapeley and HMRC in respect of all taxes. The tax team meets with the CCM in person at least once a year. In addition, the tax team corresponds with the CCM or their colleagues on a regular basis throughout the year. The tax team updates HMRC on a regular basis about developments in the Group's UK business and aims to supply the information they may require on a full and timely basis.