

SR Technics UK Limited's Tax Strategy

Business Strategy and Tax Strategy Vision

SR Technics is one of the world's largest independent MRO providers, servicing most Airbus and Boeing aircraft types. Our vision is to be the partner of choice for our customers, delivering innovative solutions and world-class services that are transforming the aviation services industry. The UK business is a routine provider of servicing and ongoing maintenance as part of the services delivered by the group to major airlines.

Our overall vision for tax is to grow our business tax efficiently and in a sustainable way that delivers value to key stakeholders. Our Tax Strategy is aligned with the overall business strategy in ensuring we find solutions to any conflicts that may arise and ensuring stakeholders are informed swiftly, openly and honestly about all major events and developments. We aim to submit all UK tax filings in a timely manner and it is of primary importance that we are compliant with UK tax law and regulations, and that all required tax payments are made on time.

Approach to tax risk management and governance

Our tax strategy is owned by the Board, with the Head of Group Tax responsible for its delivery. The Group tax team works with relevant business teams to ensure tax is considered at an appropriate stage for key business decisions and transactions. For example, tax are consulted during tender offer and more final stages of contract completions. Relevant tax personnel have the appropriate qualifications and experience to perform their roles, whilst technical knowledge is maintained through regular training. They also consult with external advisors when faced with complex tax matters or when significant transactions occur and this dialogue also allows them to keep up to date with changes in tax legislation and guidance.

The Group tax team meet regularly to discuss key tax matters which may be raised with the Board at the discretion of the Head of Group Tax. We have an established business wide risk management process which is embedded within the business to support the identification and effective management of risks across the business, including tax. Our tax risk management and governance framework covers how tax risk is identified, assessed and mitigated through the operation of effective controls.

The UK Head of Finance, with support from the Group tax team, are responsible for ensuring all UK tax filings are made in a timely manner, compliant with UK tax law and regulations and that any required tax payments are made on time.

Level of risk we are prepared to accept

Our level of acceptable tax risk is aligned to our enterprise wide approach to risk management. Our business operations are only structured based on sound commercial and business principles.

SR Technics acknowledges that the elimination of all tax risk is impractical due to the complexity of tax legislation and differences in interpretation that occur. However, the group is committed to the identification and monitoring of significant tax risks within the UK. As our tax risk management processes are proactively managed by suitably qualified personnel, with support from our tax advisors as required, we are comfortable that our low tax risk tolerance can be achieved.

Attitude towards tax planning

We do not enter into any aggressive tax planning arrangements but we will consider the most tax efficient structure for a business transaction as long as it is commercially driven and whilst being mindful of our low appetite for tax risk. We will also always engage with our external tax advisors when any significant transaction is undertaken or in areas of complexity.

The advantages of available tax reliefs, incentives and exemptions, for example available tax deductions on capital investments and research and development credits, are only taken if aligned with commercial and economic activity and are available to comparable UK businesses by the UK government.

Approach towards dealing with tax authorities

In line with our ethical commitment to honesty with all stakeholders, we aim to maintain a transparent relationship with HMRC, encouraging open dialogue on a timely basis.

Where any tax law is unclear or subject to interpretation, we engage with external tax advisers as we aim to remain compliant in our operations and ensure appropriate disclosure of information where applicable. In line with our commitment to transparency, we will engage with HMRC to obtain agreement where subjective and significant items are identified. We will also work with HMRC to answer any queries or resolve any differences in a timely and professional manner, aiming to respond to enquiries by due dates and cooperating fully in our engagement with them.

Our published tax strategy applies to SR Technics UK Limited and all UK companies of the SR Technics sub-group and covers all relevant UK taxes and duties. It has been approved by the Board and satisfies Schedule 19 of the UK Finance Act 2016 in respect of the period ending 31 December 2017.