

NORTHERN IRELAND TRANSPORT HOLDING COMPANY

UK group Tax Strategy

For year ending 29 March 2020

UK group Tax Strategy

This document sets out the UK group Tax Strategy of Northern Ireland Transport Holding Company in relation to the UK group in compliance with section 161 and section 16(2) of schedule 19 Finance Act 2016 for the year ending 29 March 2020.

The following companies are members of the UK group for the purposes of this Tax Strategy:

- Northern Ireland Transport Holding Company
- Ulsterbus Limited
- Citybus Limited
- Northern Ireland Railways Company Limited
- NIR Operations Limited
- Flexibus Limited
- Translink (NI) Limited
- NIR Networks Ltd

All references to the 'UK group' henceforth are a reference to the above companies.

This Tax Strategy applies to all UK taxes as set out in s15 of Schedule 19 Finance Act 2016 and any reference to 'tax', 'taxes', or 'taxation' are to all taxes as defined within.

Tax is the ultimate responsibility of the Chief Financial Officer who sits on the Group Board and is the Senior Accounting Officer. Day to day tax matters are delegated to a team of in-house finance professionals who hold a combination of qualifications and experience appropriate to their roles.

Background

The principal activity of the UK group is the operation of public transport services in Northern Ireland.

Any tax decisions are made in a manner which is consistent with the ultimate Group's strategy.

Tax objectives

This Tax Strategy is in place in order to meet the following core tax objectives:

- Implementing and maintaining controls and procedures relating to all taxes;
- Ensure compliance with all legal requirements and to make all appropriate tax returns and tax payments within deadlines;
- Seek to utilise available tax reliefs and incentives where available in a manner which is consistent with the government's policy objectives;
- Consider and manage tax risks in order to maintain a strong reputation and brand.

Risk management and governance arrangements

The UK group is committed to ensuring that its tax affairs are open, transparent and compliant with tax legislation.

The UK group internal structure is set up to ensure the UK group portrays a positive view towards tax compliance and the importance of meeting its obligations.

Specialist external tax advice is sought when required.

Tax planning

The UK group does not undertake aggressive or artificial tax planning, the sole purpose for which would be obtaining a tax advantage. The UK group undertakes tax decisions and planning as part of its overall business strategy and engages the services of professional advisers to assist with major or complex business decisions in order to fully understand any associated tax risks.

The UK group seeks to ensure that transactions are structured such that any tax reliefs or incentives available are realised in line with the intended tax legislation and only where there is a credible technical standing.

Attitude towards risk

Tax risks identified are communicated to the finance and tax teams in order that they may be appropriately managed. There is no one level of risk that the UK group is prepared to accept but each is considered on a case by case basis having taken into consideration all available facts and information.

The UK group has close relationships with professional advisers that allows it to seek expert advice where necessary which in turn aids compliance.

The UK group is conscious of the potential adverse publicity that a negative tax attitude can bring and seeks to minimise any reputational damage through the actions set out in this Tax Strategy.

Relationship with HMRC

The UK group is committed to the principles of openness and transparency in its approach to dealing with HMRC. The UK group seeks to promote a professional and collaborative relationship which is based on principles of transparency and justified trust and to make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests openly and honestly in a timely fashion.