

Eddie Stobart Logistics

Eddie Stobart is a leading UK supply chain, transport and logistics group providing industry-leading services to many of the UK's best known brands.

The Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange in April 2017 and operates across the core sectors of e-commerce, manufacturing, industrial & bulk, retail and consumer. An experienced plc board is in place with Philip Swatman as Chairman and Stephen Harley and Christopher Casey as Non-Executive Directors.

Eddie Stobart operates predominantly through UK incorporated subsidiaries and has one Guernsey incorporated intermediate holding company, which is UK tax resident. The Group also has a number of subsidiaries and minority stakes in joint venture companies in European jurisdictions (which together accounted for circa 6 per cent of the Group's total revenue as at 30 November 2017).

Our tax strategy

Eddie Stobart is committed to complying with all applicable tax-related laws and disclosing all relevant facts and circumstances to the tax authorities. Our aim is to pay the correct amount of tax at the appropriate time. This applies to all taxes including corporation tax, value added tax and employment taxes.

This strategy covers:

- Our approach to tax
- How we manage our tax affairs
- Our attitude to tax risk and tax planning
- How we engage with HMRC

How we manage our tax affairs

Overall implementation of this tax strategy, which has been approved on behalf of the Board of Directors, is the responsibility of the Chief Financial Officer. He is supported by suitably qualified individuals within the Finance team. Appropriate training is provided to staff outside the Finance Team who manage or process matters which may have tax implications.

External tax advisers are engaged to support the internal Finance team where required including assisting with preparation of UK tax returns and computations and advising on compliance with tax-related obligations generally and in relation to significant transactions. UK payroll processing and VAT compliance are dealt within-house.

The Group has an Ethics Policy that applies to all Group employees and demonstrates our commitment to conducting business to high ethical standards. Our internal Group Tax Policy, which sets out how Group employees are expected to operate with respect to tax matters, applies to all subsidiaries and is aligned with this tax strategy.

Tax risk and tax planning

The Group's affairs are structured based on sound commercial principles in accordance with relevant tax legislation. Available tax reliefs and allowances are utilised in the manner intended by HMRC and legislation and advice is sought from external advisers where appropriate. Where there are alternative routes to achieve the same commercial result, the most tax efficient approach will be recommended. Although the Group will optimise tax treatment of commercial business transactions, aggressive tax planning is not actively considered and artificial arrangements are not put in place. The Group will only enter into tax planning arrangements where the outcome is more likely than not to achieve the intended results. It is recognised that optimising tax treatment can bring associated tax risk and therefore reputation, brand and corporate and social responsibilities will be taken into account in decision making as well as the legal and fiduciary duties of the directors and employees of the Group.

The Group assesses tax risks periodically and maintains a tax risk register which sets out the mitigating actions taken to manage tax risk, including implementation of internal processes and use of specialist advice. These tax risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required. This is part of the overall internal control framework applicable to the Group's financial reporting system.

The Chief Financial Officer reports to the Audit Committee on tax-related matters. The Board is responsible for oversight of the Company's system of internal controls, including adherence to this tax strategy.

Relationship with HMRC

We have a transparent and constructive relationship with HMRC and communicate regularly about our tax affairs and any tax risks. We disclose any changes in the business at an early stage and discuss any material tax issues. We engage positively when discussing any differences in legal interpretation between ourselves and HMRC.

Miscellaneous

The Company considers that by publishing this tax strategy it is in compliance with paragraph 16(2) of Schedule 19 of the Finance Act which requires publication of a tax strategy in respect of a UK group.

References in this tax policy to 'Eddie Stobart' or the 'Company' are to Eddie Stobart Logistics plc and to 'Group' are to Eddie Stobart and its UK incorporated subsidiaries

This tax strategy will be reviewed and updated, as appropriate, each year. Approved on behalf of the Board in October 2018.