

Tax Strategy 2021

Eversholt UK Rails Limited is a limited company registered in England and Wales, ultimately owned by UK Rails S.a.r.l., a company incorporated in Luxembourg. Eversholt UK Rails Limited and its subsidiaries make up the Eversholt UK Rails Group of companies (the “Group” or “Eversholt Rail”). The Group owns and maintains a range of passenger and freight rolling stock assets which are leased to train operating companies and freight operating companies.

Eversholt Rail is required to publish a tax strategy for the financial year ended 31 December 2021 under Schedule 19 of Finance Act 2016. This tax strategy applies to all companies in the Group.

The Group is committed to fully complying with its statutory tax obligations, including the payment, reporting and recovery of taxes.

Eversholt Rail Tax Governance

Tax governance and risk management are the responsibility of the Board of Directors of each Group company, as overseen by the Board of Directors of Eversholt UK Rails Limited.

The Group has established a Tax Governance Framework to provide guidance on how its tax affairs should be managed. The framework comprises several elements including the Eversholt Rail Tax Strategy, Group Tax Policy & Procedures, and the Group’s relationship with HM Revenue and Customs (“HMRC”) and other tax authorities. The Group Tax Policy & Procedures outline the Group’s approach to responsible tax management, as well as guidance to our employees on how to align with these.

Tax compliance and management are dealt with by experienced and qualified staff, with assistance from professional firms or external legal counsel where appropriate or necessary.

Eversholt Rail Tax Strategy

Eversholt Rail’s Tax Strategy is to:

- comply with all relevant tax legislation, regulations and disclosure requirements at all times;
- ensure that the Group submits accurate tax returns and pays the right amount of tax at the right time;
- comply with the Group Tax Policy;
- ensure that management of the Group’s tax affairs is aligned with its commercial activity and the Group’s commitment to corporate responsibility;
- maintain a transparent, constructive and professional relationship with HMRC and other tax authorities, if relevant.

Eversholt Rail Tax Policy

The core elements of the Group tax policy are as follows:

- Tax risks arising from the Group’s operations must be actively monitored and managed and material risks must be reported to the Board of Directors of the relevant Group company as well as the Board of Directors of Eversholt UK Rails Limited;
- Tax compliance obligations must be properly and timely discharged;
- Robust processes and procedures must be in place to minimise tax risks and compliance errors and must be periodically reviewed to ensure that they are updated to reflect changes in local law and practice;

- Tax evasion or the facilitation thereof by employees or other associated persons (e.g. agents and other persons who perform services for or on behalf of the Group) will not be tolerated or condoned;
- All tax positions taken must be justifiable and based on local law and practice, with due advice being taken from reputable professional firms or advisers where necessary;
- The tax affairs of the Group should be arranged and managed to support its business or commercial activities;
- When entering into commercial transactions, the Group may seek to obtain the benefit of tax incentives, reliefs and exemptions available under tax laws and regulations in the relevant jurisdictions;
- Related party transactions must be properly managed and documented to ensure they are compliant with tax law and practice, and with OECD Transfer Pricing principles;
- The Board of Directors of the relevant Group company and the Board of Directors of Eversholt UK Rails Limited should be informed and consulted in advance on tax and business matters where appropriate in accordance with internal governance procedures, including the tax consequences of material commercial transactions and decisions made with respect to such transactions.

Relationship with Tax Authorities

The Group is committed to having a transparent and constructive relationship with HMRC and other tax authorities, if relevant. Where appropriate, the Group will seek to keep tax authorities aware of significant transactions and business developments. All dealings with tax authorities should be conducted in a professional and courteous manner.

The Group will seek to obtain certainty of the tax treatment of complex or uncertain issues at the earliest opportunity. Where possible, resolution of any disputed matters will be sought through open discussion with the relevant tax authorities.