Introduction

The following Tax Strategy is published in compliance with the requirements of Part 2 Schedule 19 Finance Act 2016.

This tax strategy is reviewed and revalidated annually and revised as appropriate to reflect any material changes in our business or applicable tax legislation.

This document, last reviewed by Aggreko Group on 10 August 2021, applies to all group companies, including each of its UK companies, for the accounting period ended 31 December 2021.

Tax strategy

Our strategy is to ensure that we pay, in a timely manner, the appropriate amount of tax commensurate with the activities performed in each country where we operate. In applying the tax strategy, we undertake to fully comply with the applicable tax legislation utilising, where appropriate, any available legislative reliefs. Our tax strategy applies to all taxes and globally to all of the countries in which we operate.

Our approach to tax governance

Ultimate responsibility for managing tax risk and the Aggreko’s tax affairs rests with our Chief Financial Officer, with oversight from the Board of Directors.

Day-to-day responsibility for the implementation of the tax strategy and for ensuring that the necessary policies and procedures are in place is delegated to the Director of Tax and the tax function. To ensure that we fully understand our tax obligations and the impact on our business of any legislative change, advisory and technical support is provided by major accounting firms with which we have a long association.

Our approach to tax risk management

Aggreko’s appetite for risk, including tax risk, is reviewed regularly and ratified by the Board. Given the overall risk profile of many of the countries in which we operate, we seek to structure our tax affairs in a way that carries a low degree of risk.

Given the complex, uncertain and often volatile nature of the tax environment in which we operate, strong local compliance and governance are key.

The risk that the application of management’s judgement and estimate in our tax forecasting fails to represent a true and fair view of our tax position is an area that receives focus from management, our tax advisers and our external auditor. In order to mitigate any risk, our tax position is internally reviewed during the year by the Group tax team and any unanticipated variances to the forecast are reconciled and explained.

In addition to the work done by the Group’s external auditor to confirm the appropriateness of our tax provisioning, tax is a matter that is regularly considered and discussed by the Audit Committee. The Group’s internal audit team also periodically reviews management’s assessment on the
effectiveness of our tax controls and will also consider any relevant tax risks as part of its core assurance programme.

The level of risk in relation to taxation that we are prepared to accept

Aggreko’s approach to tax is based on delivering value to our shareholders whilst aiming for certainty on the tax positions it adopts. Where tax law is unclear or subject to interpretation, professional advice or confirmation on the approach from HMRC will be sought, as appropriate, to ensure, so far as possible, that the outcome is in line with the tax position adopted by the Group.

Our attitude towards tax planning

When entering into commercial transactions, the Group may take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Only the Director of Tax is permitted to consider any such matters, with permission to implement required from the Board or Finance Committee as appropriate. We will not implement any tax planning that is not driven by commercial aims or where the sole objective is to deliver tax benefit.

Where there is any uncertainty as to the application of legislation or availability of reliefs or where the matter is particularly complex, the Group will seek external tax advice to confirm the applicability or complexities of a particular point.

Our approach towards dealing with tax authorities

We aim to maintain the good working relationship we have established with HMRC and other tax authorities which is based on trust, respect, and professionalism. We proactively engage, either directly or through our advisers, when required to ensure that our business and tax positions are well understood and that our tax positions are confirmed as quickly as possible. However, we recognise that there may be occasions where it is not possible to reconcile different points of view immediately. In these situations we aim to work with HMRC in a proactive, transparent and co-operative manner in order to try to reach a swift resolution.

Heath Drewett
Chief Financial Officer
December 2021

13/12/21