

Tax Strategy Statement

Introduction

In accordance with Schedule 19 Finance Act 2016 (“FA2016”), this document sets out the UK Tax Strategy of the UK sub-group headed by Landmark Holdco Limited (“LHL”) for the year ending 31 December 2017 (“2017”). The broad comments regarding approach to tax planning and dealings with HMRC apply to all companies in the sub-group. However, as Landmark Mortgages Limited (“LML”) is the only sub-group entity to undertake any substantive activities the Strategy Statement focusses on LML.

UK taxation carries the meaning as set out in paragraph 15(1) of Schedule 19 FA2016 which includes Income Tax, Corporation Tax, PAYE, NIC, VAT and Stamp Duty Land Tax.

LML’s tax strategy in conjunction with its Tax Policy Standard is to provide a plain and transparent approach to its tax affairs ensuring that LML remains compliant with all relevant and applicable UK tax laws. LML currently operates in the United Kingdom only. The submission of tax filings and payment of tax liabilities on time in line with the law and HMRC best practices forms a key part of this strategy.

Approach to tax risk management and governance

LML’s Tax Policy Standard forms part of the Board approved framework of policies, approved annually by the Board Audit & Risk Committee, owned by the Finance Director and, at executive leadership level, by the Chief Executive Officer (“CEO”). This Policy is interpreted in the context of the overarching Board approved Enterprise-Wide Risk Management Framework (“EWRMF”) and Risk Appetite Statement, which is designed to support the identification, assessment, management and control of the material risks that threaten achievement of LML business objectives.

The Board delegates responsibility for LML business activities and managing risk on a day-to-day basis to the CEO. The CEO is responsible for ensuring that the business has a suitable system of controls to manage risk.

The Finance Director reports to the CEO, a member of the LML Executive Committee and Board of Directors, thereby ensuring appropriate Board visibility, accountability and oversight of all tax matters. The Finance Director has direct responsibility for the tax strategy, policies and management of tax risk, with day-to-day responsibility for the operation of these functions resting with the Head of Finance. Any significant breaches of policy identified would be escalated to the CEO and to the Board.

Finance is tasked to ensure that the business has the resources, processes and controls in place to identify and meet the UK tax filing requirements and respond to and or address any related issues arising from such filings. This is achieved through the following:

- employment of sufficiently qualified and trained staff;
- operation of robust internal control systems;
- independent review by outsourced Internal Audit; and
- use of external advisors where necessary.

LML's annual certification of compliance under the Senior Accounting Officer regime and the internal controls supporting that certification process contribute towards the approach to identification, management and minimisation of tax risks.

Tax planning

LML's tax planning ensures it complies with all relevant and applicable UK tax legislation and similar requirements. This is achieved through an understanding of the business operations.

LML works closely with external advisors where appropriate in relation to complex and or specialist areas of tax where additional expertise and clarification is required to ensure that business decisions are undertaken in the full knowledge of current interpretations of relevant tax legislation and guidance.

Level of tax risk

LML has a low appetite for tax risk in accordance with the Board approved Risk Appetite Statement. It does not participate in aggressive tax planning or complex structured arrangements designed to minimise its tax liabilities.

Approach towards dealings with HMRC

LML has a transparent relationship with HMRC which is maintained through appropriate communications ensuring progress on open matters; there are no material historic matters outstanding.

The business is also committed to making appropriate disclosure of all relevant tax issues through the submission of tax returns and in responding to information requests in a timely manner.