

Semperian Group Tax Strategy

Overview of the Group

Semperian PPP Investment Partners Holdings Limited (“Semperian”) was established in November 2007 and owns and manages a diversified portfolio of over 90 PPP/PFI assets, with a value in excess of £1.4 billion. Its team of over 250 professionals ensure that public sector partners and investors alike, enjoy the benefits of an unrivalled body of experience in the sector.

Semperian is founded upon long term partnership between the public sector and its investors, many of whom are public pension funds, who are seeking a reliable, index linked, lower risk return on their investment.

UK Resident Group for tax purposes

Semperian PPP Investment Partners Holdings Limited (the top company of the Semperian corporate group) is resident in the UK for tax purposes. It therefore follows that Semperian’s tax liabilities are the same as any other UK based corporate.

Semperian PPP Investment Partners Holdings Limited, is also registered as a company in Jersey, which at inception allowed the Semperian group to issue corporate bonds to its Investors on the Jersey Stock exchange that have a much lower cost of administrative than equivalent bonds issued through the UK Stock exchange.

The Jersey registration does not change the UK tax resident status described above.

Semperian operates two overseas project companies, one based in Ireland and another based in Germany. These project companies are registered for tax in the UK and their respective geographic regions. Therefore, these projects are subject to both UK corporation tax and local taxes under agreed HMRC Double Tax treaty arrangements between those countries.

Semperian has no overseas investors and is majority owned by UK based pension funds, a very large portion of which are public sector pension funds.

Overall Tax Strategy

The Group’s tax strategy is to contribute and add value to the overall returns to its shareholders, without pursuing aggressive or risky tax strategies that might lead to adverse cashflow or reputational consequences with the Inland Revenue, or other interested parties.

The tax strategy is also to maintain a high quality, well controlled in house tax advisory, reporting and compliance team that support the groups on-going and future business activities, using third party professional support for non-core tax activities and ad-hoc projects when needed.

The strategy is delivered with support from the finance and operational departments, in order to provide a cost-effective tax service, at the appropriate level to meet the needs of the Group and its Investors.

The strategy will be periodically reviewed and any recommended amendments to the strategy will be considered and approved by the Board of Directors.

This tax strategy has been approved by the Board of Directors.

Approach of the Group to Risk management and Governance

The group relies on the following in its approach:

- Application of appropriate controls across all of the Group businesses is a core part of managing existing and future business growth.
- Setting clear policies for our businesses to follow and to embed the right processes, reporting and culture across the Group.
- Processes are in place for identifying tax risks, which are reported as part of the overall Risk Matrix for the group.
- Group Tax function reports to the Board, through the Group Finance Director.
- Tax strategy is regularly review by the Group Tax Director and any material changes are discussed with Group Finance leadership and the Board.

Risk appetite in relation to UK Taxation

The groups risk strategy

- Semperian does not engage in high risk, or aggressive tax planning.
- Semperian's Board has, in their opinion, a low risk appetite in respect of tax, which is supported by HMRC's risk rating for the Group.
- Complexity of the contractual arrangements and tax laws in the PPP sector creates inherent risks.
- Semperian manages this complexity through its approach to compliance, planning and risk management.
- Tax risks are assessed and decisions taken in line with the Group's overarching Risk Management policy and the tax policies and procedures for the group.

Tax compliance

- Semperian is committed to complying with all applicable tax laws, rules and regulations and reporting and disclosure requirements.
- Semperian Group ensure that the correct amount of tax is paid at the correct time.
- This is achieved through the timely submission of returns and payment of tax liabilities when they fall due.
- The Group is subject to the Senior Accounting Officer SAO regime, which requires the company to report annually to HMRC, on its tax affairs.
- The regime, essentially requires the group to confirm tax full compliance across the group, based on reliable, appropriate, underlying accounting records.

Tax planning

Semperian does not have a complex tax structure, in the context of its overall size and business structure, and take an appropriate, balanced approach to its tax affairs.

Tax outcomes are considered as part of the overall evaluation and structuring of commercial transactions, but the group does not undertake aggressive tax planning.

Where appropriate to do so, the group will claim available tax reliefs and incentives, to reduce the group's overall tax liabilities.

In respect of material transactions, or where the Semperian tax department do not have the required in house expertise tax advice is sought from appropriate external advisers to support tax assumptions and planning activities.

Relationships with tax authorities

- Semperian has an open, honest and positive working relationship with HMRC and tax authorities.
- Semperian proactively engages with their designated Customer Relationship Manager (CRM) and is committed to prompt disclosure and transparency in all dealings with HMRC.

This document is publicly available for the purposes of complying with paragraph 16(2) Schedule 19 of the Finance Act 2016.

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