

**CADOGAN GROUP  
STATEMENT OF TAX PRINCIPLES**

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## INTRODUCTION

The Cadogan Estate includes approximately 93 acres of Chelsea and Knightsbridge and has been under the same family ownership for 300 years. The aim of the business is to contribute positively to Chelsea and the broader area in which the business operates. We aim to be a force for good in the locality, whether this relates to our dealings with local residents, with tenants, with visitors to the area or with the various authorities, most importantly the Royal Borough of Kensington & Chelsea, with whom we interact.

## RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS IN RELATION TO TAXATION

Cadogan Group Limited together with its subsidiaries (“the Group”) has a well-developed strategy and process for the management of risks faced by the business. The Governance of our business is led by the Board of Directors, which is committed to ensuring that the Group continues to meet its business, financial and sustainability objectives. Management of risk is an essential element in any modern business. Overall responsibility for risk management lies with the Board of Directors, who are responsible for determining the Group’s risk appetite and ensuring that the Group’s risk management system adequately identifies, assesses and manages all relevant risks. The Board of Directors recognise that there are inherent risks in running any business.

The Group has a strong focus on responsible tax administration and UK tax compliance including and not limited to filing and payment obligations, fulfilling the Senior Accounting Officer (SAO) obligations in relation to ensuring that our tax accounting arrangements are appropriate, and continuing to be considered a business with a low risk by HM Revenue & Customs (“HMRC”).

The Group’s Finance Director takes overall responsibility for ensuring the Group’s compliance with all taxation rules and regulations, and reports on a regular basis to the Board of Directors. He keeps in close and regular contact with the Group’s external tax advisers, and also oversees the internal team and their day to day operations. There are comprehensive processes, procedures and controls in place to ensure that the Group’s statutory obligations are met and that tax risk remains low.

The Group refers in its Annual Report to the total tax contribution that the Group makes to the UK economy whether by way of tax borne by the Group, or collected and remitted to HMRC.

## THE LEVEL OF RISK IN RELATION TO TAXATION THAT WE ARE PREPARED TO ACCEPT

Our attitude towards tax risk is primarily governed by the Board’s objective to retain the Group’s low-risk rating from HMRC, given under their Business Risk Review process. We have a low tolerance towards tax risk. When considering tax risk the Board will take into account the views of our stakeholders, including HMRC, the general public and other third parties.

## OUR ATTITUDE TOWARDS TAX PLANNING

It is the Group’s policy to comply with tax legislation concerning all forms of taxation while taking advantage of accepted and efficient practices for minimising the cost to the business. The Group

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does not take part in any tax avoidance schemes. The Group takes specialist advice from its external tax advisers in the normal course of our business in order to ensure compliance with respect to developments in tax legislation.

### **OUR APPROACH TOWARDS OUR DEALINGS WITH TAX AUTHORITIES**

As a large business in the UK within HMRC's Large Business directorate, the Group is assigned an HMRC customer relationship manager ("CRM").

The Finance Director keeps in regular contact with the CRM meeting at least once a year to discuss business developments and, if necessary, more frequently to ensure areas of uncertainty are identified and addressed early and the compliance process remains efficient.

### **SUMMARY**

The Group regards this publication as complying with its duty to publish its tax strategy for the year ended 31 December 2018 in accordance with current tax legislation as set out at paragraph 16 of Schedule 19 of Finance Act 2016.

December 2018