



Introduction

This Tax Strategy statement applies to Tesco Mobile Limited and for the first time, a new consolidated structured entity, Tech Finance Collections Limited (“TFCL”) established in 2020. The Company is deemed to control TFCL under IFRS 10. TFCL is a special purpose issuer entity exclusively purchasing receivables from the Company and issuing senior notes to finance providers and was established in 2020 as part of a new securitisation arrangement between the Company and Royal Bank of Canada (RBC).

The company is a mobile service provider with over 5 million customers and operates through 530 retail stores as well as online and telesales channels. The company generates and contributes both direct and indirect taxes including corporation tax and VAT.

At Tesco Mobile we adopt a responsible and low-risk approach to meeting our tax obligations, ensuring we pay the correct amount of tax in accordance with all applicable tax laws in the United Kingdom.

The Board of Directors of the company is ultimately responsible for the tax strategy of Tesco Mobile. The Chief Financial Officer takes ownership of the company’s tax operations along with all associated risk, detailed analysis and preparation of the tax records is the responsibility of the Financial Controller.

Our tax policy principles

The principles which govern our approach to our tax obligations are as follows:

- We pay the right amount of tax in accordance with the tax laws
- We claim properly available allowances, deductions and reliefs, and only in the manner in which they were intended

- Tax is considered in significant business decisions but is not the driver of decisions
- We maintain an open and transparent relationship with HMRC at all times

Day to day management of our tax affairs

There is no dedicated tax team in Tesco Mobile, day to day tax responsibilities delivered by the finance team are managed by the Financial Controller.

Leading professional services firms are engaged to assist the company in many of our tax obligations as required.

VAT obligations are determined by the business and supported by external advisors. On an annual basis Corporation Tax compliance is prepared by an external advisor following input from the company.

All employment tax compliance is supported and settled by the relevant shareholder organisation depending on the source of an individual’s employment.

Working with HMRC

We are open and transparent in our dealings with HMRC and adopt a collaborative approach to all interactions with HMRC and any other tax authority.

Where there is uncertainty on a tax matter, we actively engage with HMRC to achieve a resolution.

The relationship with our Shareholders

Tesco Mobile is jointly owned by Tesco Plc and VMED O2 UK Limited, as part of this arrangement we have access to tax departments who are experts in both the retail and telecommunication sectors. We often leverage this experience to address tax risks and help to meet our tax obligations as required.