

Under UK tax law, Cubic Corporation is required to publish its UK tax strategy online and in accordance with Schedule 19 of the Finance Act 2016. It will be reviewed and updated annually and applies to all direct and indirect taxes listed in paragraph 15(1) of Schedule 19 of the Finance Act 2016, including income tax, corporate tax, VAT and PAYE.

UK Tax Strategy

This document applies to the UK entities within Cubic Corporation's worldwide group and has been approved by the Board of Cubic (UK) Limited, the parent company of the Cubic UK sub-group (herein referred to 'the UK Group'). This document sets out the UK Group's policy in its approach to conducting its tax affairs and dealing with tax risks for the relevant tax year. The Board of Cubic (UK) Limited has reviewed the Tax Strategy document and confirm that the policy remains in line with the Group's approach to conducting its tax affairs as applicable for the year ended 30 September 2024.

Commitment to compliance

Cubic Corporation is committed to compliance with the relevant UK tax law and practice. We consider compliance to be ensuring that the group pays the right amount of tax legally due. This is of paramount importance in our commitment to be a responsible business. Cubic Corporation's Code of Business Conduct, which is approved, owned and overseen by the Board of Cubic Corporation requires employees to act with integrity and to be guided by the highest ethical standards and these are the same principles that govern the UK Group's approach in conducting its tax affairs.

Approach to UK tax risk management and governance arrangements

Managing the UK Group's tax affairs is a complex process across many functional areas of the business. Inevitably, there will be risks of error or omission within these processes. The entire elimination of tax risk would be impossible; therefore, professional care is exercised to design control procedures over processes considering the likelihood of occurrence and the potential impact of each risk.

When reviewing the tax risks associated with a specific action or decision, the UK Group considers the fiduciary duties of directors and employees, the requirements of any related internal policies and procedures, and the maintenance of the UK Group's corporate reputation. Where significant uncertainty or complexity exists regarding how the relevant tax law should be applied, advice may be sought from professional advisors to support the decision-making process.

Attitude towards UK tax planning

As mentioned above, we are committed to compliance with tax law and practice in all of the territories in which we operate, whilst at the same time recognising that we have an obligation to maximise shareholder value and to manage financial and reputational risk. Therefore, we seek to engage in reasonable tax planning that is aligned with commercial and economic activity.

It is possible that circumstances may arise where the tax legislation is not clearly defined, or where alternative treatments could be adopted which give differing tax outcomes. In these situations, the UK Group will use its best judgement in determining the appropriate course of action.

The UK Group will seek to benefit from tax reliefs and incentives to minimise and control our tax costs, but only where these tax reliefs and incentives are in line with the intentions of the legislation.

Level of acceptable UK tax risk

The UK group aims for certainty on tax positions it adopts, but where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate from professional external advisors to ensure that our position would, more likely than not, be settled in line with the filing position adopted in the tax return.

Approach to Dealing with HMRC

We aim to have an open and transparent relationship with HM Revenue & Customs (i.e. the UK tax authorities) providing relevant information to enable HM Revenue & Customs to review possible tax risks in the course of their normal risk assessment procedures.

It is our intention to work collaboratively with HM Revenue & Customs to make fair, accurate and timely disclosures, highlighting where significant uncertainty exists in relation to tax matters. Whilst we would not take a position on our tax affairs that may create reputational risk, where disagreements arise we would seek to proactively work together to achieve early agreement on such disputed issues.

Cubic UK Limited, as the head of the UK sub group (under Paragraph 11 Schedule 19 of Finance Act 2016), regards this publication as complying with the duty under Paragraph 19(2), Schedule 19 of Finance Act 2016.