

1. Introduction

The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016.

1.1 Background

AEG Fuels UK Limited is the UK subsidiary of Associated Energy Group LLC, a company resident in Texas, United States of America. Associated Energy Group LLC is a single-supplier of aviation fuel established through a network of strategic relationships with national and multinational oil companies, local fuel providers, and airport handling agents. AEG Fuels also provides a suite of ancillary solutions such as fuel management, international trip planning, tax recovery services, carnet card benefits and more.

Associated Energy Group LLC have established a broad range of customers including passenger and cargo airlines, the US and foreign militaries, heads of state, royal flight departments, corporate and charter operators, fixed base operators and fuel resellers. Our customers are afforded the benefits of negotiated fuel and throughput pricing based on AEG's aggregate volume. The AEG Network consists of 2000+ suppliers and agents in 212 countries, providing coverage at over 3000 airports and growing.

Our executive aviation team of professionals brings almost three decades of experience in delivering world class service with worldwide coverage. When partnering with Associated Energy Group LLC, operators are ensured specifically-tailored ground support and refueling packages, flexible credit facilities, and affordable pricing structures for every mission and every trip. With offices in Miami, Houston, Tahoe, Toluca, London, Dubai, Singapore and Shanghai, our team is able to liaise locally in markets with customers and suppliers to provide the highest degree of service.

Associated Energy Group LLC has significant industry experience to meet our customers' fuel requirements and credit needs 24 hours a day, 365 days per year. AEG's well-established position in the marketplace offers our customers greater purchasing power, which allows cost-effective and reliable fuel supply worldwide.

AEG Fuels UK Limited main activity is that of providing support services to Associated Energy Group LLC.

This document sets out the strategic tax objectives of the UK entity, AEG Fuels UK Limited hereinafter referred to as "the Company". It is not designed to be an operational manual with detailed instructions of the underlying processes and controls. Further commentary around the systems and risk management framework of the Company is contained within the company's compliance systems.

1.2 Approval

The company directors are responsible for leading the Tax Strategy. The strategy is approved by the Board of Directors of Associated Energy Group LLC.

The document is periodically reviewed and any amendments are approved by the Board of Directors. It is effective for the year ended 31 December 2018.

1.3 Audience

This document is primarily of relevance to the Finance Team together with the Board of Directors who are responsible for tax across the organisation.

The policy is available to all employees and can be found on the company website.

1.4 Scope

The company operates mainly in the UK on behalf of its customer in the United States of America. The company pay's all the required taxes in any overseas jurisdictions.

The following taxes are in scope

- All direct taxes including Pay As you Earn (PAYE) and Corporation Tax (CT)
- All indirect taxes including VAT and Customs and Excise Duty

The strategy applies, in respect of all companies in the group, to:

- Tax compliance of all in scope taxes
- Tax financial reporting

2. Our Strategy

2.1 Summary

The company is committed to paying the right amount of tax required under the laws and regulations of UK tax legislation and practice. It takes a conservative approach to tax planning, and does not pursue aggressive tax planning arrangements. The Company engages the services third party professional advisors, regulated by the associated professional bodies to provide advice and guidance necessary to assess the tax risks and ensure its continued compliance with applicable laws, rules, regulations, and reporting and disclosure requirements.

2.2 Tax Objectives

Approach to risk management and governance arrangements in relation to UK taxation

The Company operates effective tax governance, understanding the tax risks in place and ensure that senior personnel with the appropriate skill and experience are involved in key tax decisions.

The Company uses third party professional advisors to provide advice and guidance necessary to assess tax risks and ensure its compliance to applicable laws, rules, regulations and reporting and disclosure requirements.

The Company is committed to ensuring that it pays an appropriate amount of tax in relation to its commercial activities. It does not engage in aggressive tax planning arrangements, and believes that it's conservative in its approach to tax planning, applying tax rules and regulation in a way that it considers is consistent with the spirit of the law, parliament's intention, and HMRC expectations.

As the Company does not engage in tax planning arrangements where there is considered to be a significant risk of challenge by HMRC, the Company does not maintain any form of risk register. Any matters where there is considered to be an unexpected, previously unidentified, or un-provided tax exposure are discussed between the company Directors and the Board of Directors for Associated Energy Group LLC as may be appropriate, and if necessary referred to Board meetings for discussion, and on to discussion with HMRC. The Company has a capable team with decades of experience. All staff have clear roles and responsibilities to ensure compliance with tax and financial requirements. Staff are suitably skilled, and training is offered as considered relevant. In situations of uncertainty, matters will be referred to the Directors who may seek advice from external professional advisors, or seek advice from HMRC directly, for assistance in interpretation of application of specific tax rules.

Attitude towards tax planning and level of risk it is prepared to accept

The Company expects to maintain its low risk rating with HMRC.

The Company takes a conservative approach to tax planning and does not engage in aggressive tax planning arrangements. Where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws shall be considered.

The Company seeks to be efficient in its tax affairs but ensure that any planning is based on sound commercial principles. The Company will take advantage of the reliefs and incentives that exist but show respect for the intention of the law, as well as the letter, at all times.

The Company will use incentives and reliefs to minimise the tax costs of conducting its business activities but will only undertake arrangements which they reasonably believe do not contradict the spirit of the law. For example, the Company will not undertake transactions for tax which are inconsistent with the underlying economic consequences or undertake marketed avoidance. The company does not operate in tax havens.

Approach to dealing with HMRC

The Company will avoid unnecessary time consuming disputes wherever possible.

The Company is committed to working in a collaborative, transparent and proactive way with HMRC at all times. We adopt the principles of openness and transparency in our approach to dealing with HMRC and believe in engaging in full, open and early dialogue with HMRC to discuss the Company's tax affairs. The Company is committed to making fair, accurate and timely disclosure in correspondence and returns, and responding to queries raised by HMRC in a timely manner with the aim to resolve any issues in real-time where possible or to work together to resolve issues quickly and efficiently, with certainty wherever possible.

3. Governance

The company Directors and the Board of Directors for Associated Energy Group LLC acknowledges that they have responsibility for fully complying with the tax laws in all relevant jurisdictions.

The Directors are responsible for establishing the overall governance and approving the tax strategy. Tax is considered as part of the overall governance framework.

To ensure that the Tax Strategy is delivered; diligent professional care and judgement is employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed.

3.1 Structure and organisation

The organisation of the management of tax across the group can be described as follows:

Finance Team

The Finance team employs various risk management processes and systems to provide assurance that the requirements of the Company's tax strategy are met.

Compliance Team

The Financial Controller carries out regular checks to ensure that the Company correctly accounts for, records and treats for tax purposes, all activities of the company.

Use of Professional advisors

Matters where the Directors considers there is insufficient skill or experience internally are referred to external professional advisors who have suitable knowledge of the company, and hold suitable accounting and tax qualifications, as well as relevant experience.

The Directors review the Company's tax strategy and risks, as well as internal controls and systems employed by the Company on an ongoing basis.