

Leadec Ltd. Tax Strategy

Scope

This tax strategy applies to Leadec Limited, Leadec Holding (UK) Limited, and Leadec (Coventry) Limited in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. In this tax strategy, references to the Group are to Leadec Limited, Leadec Holding (UK) Limited, and Leadec (Coventry) Limited collectively. The tax strategy is being published in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016, in the financial year ended 31 December 2019.

This tax strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, Diverted Profits Tax, PAYE, National Insurance Contributions, VAT, Insurance Premium Tax, Customs Duties, Excise Duties, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

This tax strategy was approved by the Board of Leadec Limited, Leadec Holding (UK) Limited, and Leadec (Coventry) Limited on 31st July 2019. Any subsequent amendments to this tax strategy will be approved by the Board.

Aim

The Group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with the Group's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for the Group's tax strategy and compliance rests with the Board of Leadec Limited, on behalf of the Group.
- Executive management of tax matters, including the Group's tax strategy is delegated by the Board to the Finance Director. The Finance Director reports to the Board on the Group's tax affairs and risks during the year.
- Day-to-day management of the Group's tax affairs is delegated to the Accounting Manager, who reports to the Finance Director during the year on a regular basis.
- The requirement of the internal audit function to monitor the integrity of the Group's financial reporting system, internal controls and risk management framework includes those processes relating to taxation.
- The finance department is staffed with appropriately qualified individuals.
- The Board ensures that the Group's tax strategy is one of the factors considered in significant investments and significant business decisions taken.

Risk management

- The Group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Group's financial reporting system.
- The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.
- Appropriate training is carried out for staff outside of the finance department who manage or process matters which have tax implications, for example human resources and payroll.
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

- The Group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.
- When entering into commercial transactions, the Group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. The Group does not undertake tax planning unrelated to such commercial transactions.
- The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. At all times the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Finance Director is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

- The Group seeks to have a transparent and constructive relationship with HMRC through communication in respect of developments in the Group's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

- The Group ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, the Group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.
- Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.