

LabTech Investments Limited – Tax Strategy

Background

LabTech Investments Limited is the parent entity of the LabTech group of entities (“the Group”). It is a non-UK incorporated entity, incorporated and tax resident in Guernsey.

The UK subgroup comprises many entities with the head office company being LabTech London Limited.

This tax strategy relates to the accounting year ended 31 March 2023 and is published in compliance with para. 16(2), sch. 19, Finance Act 2016.

Overview

The Group is committed to complying with all laws and regulations under UK tax legislation and other appropriate precedents and practices.

The main UK taxes applicable to the Group are Corporation tax, VAT, PAYE (including the Construction Industry Scheme) and Stamp Taxes.

The Group’s policy is to take a conservative approach to tax planning, not pursue aggressive tax planning arrangements and not make interpretations of tax law that are opposed to its original spirit. To achieve these objectives, the Group uses a mix of appropriately qualified internal resources and specialist external advisers. The Group’s tax affairs are overseen by the Tax Director reporting directly to the Chief Executive Officer.

Relationship with HM Revenue & Customs (“HMRC”)

The Group maintains a constructive relationship with HMRC and views this as an important part of the wider tax strategy. It was appointed a Temporary Customer Compliance Manager (“TCCM”). This point of contact is important to the Group as it helps to maintain a transparent relationship with HMRC.

In cases of interpretation or complexity the Group works with HMRC on a real time basis to determine the correct outcome.

The Group takes great care to ensure its tax filings are accurate and complete. The Group ensures that any errors are swiftly and voluntarily disclosed with any interest and/or penalties settled. We would then revisit procedures to ensure that such an error is not repeated.

The Group hopes that HMRC appoint a permanent Customer Compliance Manager to maintain this relationship in the future.

Attitude towards tax planning

Minimising the Group’s tax liabilities by recognising appropriate legislative concessions and reliefs is of benefit to our key shareholder. The intention of Government by introducing these concessions and reliefs is to help UK businesses to grow which, in turn, aids growth in the UK economy.

The Group's tax strategy and policies seek to make use of such appropriate reliefs and to control tax costs. Whilst seeking to minimise tax liabilities for the benefit of our shareholder, the Group's policy is not to take an aggressive interpretation of tax legislation or use artificial tax avoidance schemes. We will not utilise tax incentives or opportunities where these carry significant reputational risk or significant risk of negatively impacting our relationship with HMRC.

Tax governance

Tax strategy is the ultimate responsibility of the Chief Executive Officer.

The ultimate decision making regarding the Finance function of the Group, including tax, is taken at Board level in Guernsey. Tax strategy and policies are reviewed on an on-going basis.

Day-to-day tax matters are overseen by the Group's Tax Director. The Groups tax function who reports to the Tax Director are comprised of an Assistant Tax Director, VAT Manager and two Tax Managers. All hold appropriate tax and accounting qualifications.

Apart from Stamp Duty returns, tax returns are prepared by our in-house tax team. Stamp Duty returns are prepared by our external lawyers. All tax returns are subject to appropriate levels of internal review prior to submission.

The Group is also subject to the Senior Accounting Officer legislation which makes the establishment and maintenance of appropriate arrangements for calculating its tax liabilities a formal legal obligation. The Group takes this obligation seriously and seeks to adopt an approach of continuous improvement in relation to tax compliance.

October 2023