

Langley Group Tax Strategy

Introduction

Langley Holdings plc is incorporated as a public limited company in the UK. Langley Holdings directly or indirectly owns several subsidiaries in the United Kingdom and throughout the world. This strategy applies to all group companies. This strategy applies for the financial year to 31 December 2017. This document approved by the Group Commercial Director (“GCD”) sets out Langley’s policy and approach in managing its tax affairs. It will be reviewed and published annually by the company board and any amendment will be approved by the GCD accordingly.

Compliance with tax law and regulations

As a multinational company with operations and sales in various jurisdictions, Langley is subject to a number of different tax laws. It is the company’s objective to adhere to the relevant tax regulations and to ensure tax compliance in each country.

The majority of Langley’s profits are subject to tax in the key countries where significant activities are undertaken and employees are based, being Germany, United Kingdom, United States and France.

Langley is committed to full compliance with all statutory obligations and full disclosure to tax authorities. This involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

Tax planning

While any structuring of commercial activities by Langley is undertaken based on commercial and economic considerations, Langley aims for certainty regarding the tax laws in structuring its commercial activities in each jurisdiction that it operates.

Langley may engage in tax planning to structure its operations and finances in a tax efficient manner but all such tax planning is grounded in commercial reality. All transactions are therefore required to have a commercial rationale or business purpose. Langley adheres to the OECD arm’s length principle in transfer pricing matters. Langley seeks to take steps to reduce the risk of double taxation and also seeks to take advantage of available tax incentives, reliefs and exemptions in line with tax legislation.

Effective risk management

Langley actively seeks to identify, evaluate, monitor, and manage risks which may inevitably arise from time to time in relation to the interpretation of complex tax law. Langley seeks to reduce the level of tax risk arising from its operations as far as reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

Relationship with tax authorities

Langley aims to establish and maintain transparent, constructive and collaborative professional relationships with tax authorities wherever the company operates around the world

Whilst Langley does not take positions on tax matters that may create reputational risk or adversely affect Langley’s good standing with the Tax Authorities, Langley is, however, prepared to debate with a particular authority where Langley disagrees with a ruling or decision of the tax authority based on Langley’s interpretation of the relevant tax code, having first sought to resolve any disputed matters through active and transparent discussion.

Relationship with UK tax authorities

The UK businesses are an important component of the Group's worldwide activities. UK tax risk related to the complexity of the business would include the tax treatment of foreign exchange movements and areas such as the transfer pricing of goods and services.

Langley engages directly with HMRC in a transparent and effective manner on all tax areas. This document is intended to comply with the requirements of schedule 19 of the Finance Act 2016.

Governance in relation to taxation

The ultimate responsibility for Langley's tax strategy and compliance rests with the Board of Langley Holdings plc .

Langley operates long established policies and compliance processes to ensure the effective preparation of Tax returns and that timely and accurate tax payments are made in all countries in which Langley operates.

This includes providing its employees with guidelines and general conditions to ensure that Langley's tax position is dealt with appropriately

Langley maintains documented tax policies and procedures relating to major tax processes, including transfer pricing and these are revised when appropriate in the light of changed legislation or circumstances.