

JAYTRAC LIMITED: TAX STRATEGY

Introduction

Jaytrac Limited is a supplier of quality replacement parts for Caterpillar, Cummins, Komatsu and Volvo machinery and equipment. Jaytrac distributes parts to the British and export markets from its centrally based facility in Northampton, United Kingdom.

This document sets out the tax policy of Jaytrac Limited and relates to the year ended 31 December 2023. In making this tax policy document available the company is fulfilling its responsibilities under paragraph 22(2) of Schedule 19 of the Finance Act 2016.

Scope of our Tax Strategy

Jaytrac Limited's business activities incur a wide range of taxes including corporate income taxes, stamp duties, business rates, employer national insurance and other taxes. We also collect and pay employee payroll taxes as well as indirect taxes such as VAT and excise duties.

Our group board is committed to promoting the highest standards of ethical behaviour. The company's tax strategy is aligned with the Group's tax strategy and applies to all Directors and employees whose responsibilities impact the management of tax in the UK to ensure we comply with all relevant legislation and pay all appropriate taxes at the correct time.

The Group Chief Financial Officer and Group Head of Tax are responsible for the Group's tax strategy which is overseen and approved by the group Audit & Risk Committee and the company Board. Delivery of the strategy is supported by the company's finance and commercial teams. The tax strategy is reviewed regularly and any changes are approved by the Board.

Tax Strategy Statement

Jaytrac Limited's tax policy is to:

- Comply with all legal requirements and make all appropriate tax returns within the timeframe allowed.
- Pay all appropriate taxes at the right time whilst also utilising tax reliefs and incentives where available in the course of conducting our business activities.
- In the case of any uncertainty regarding taxation law to seek expert advice from external tax specialists.
- To engage with HMRC honestly and transparently to ensure a professional and cooperative relationship.
- To align our tax planning strategy with the Group's commercial activities.

Risk Management

There is always an element of tax risk due to the complexity of tax legislation and potential differences in interpretation concerning our business operations. Our tax risk management requires that we have the right procedures and processes in place to mitigate risks from impacting our business.

Approved by the Board of Jaytrac Limited for publishing on 29th May 2024

The policies we have in place ensure that meet all our tax filing and tax compliance obligations. We are committed to acting in accordance with the tax law and practice in the UK. If there is significant uncertainty concerning a tax risk, we have relationships with professional advisors that allow us to seek specialist advice.

We continuously review our tax obligations by regularly meeting with external tax consultants, investing in tax training for staff when required, and subjecting our tax processes to both internal and external audit reviews.

Attitude towards tax risk

In making any business decisions that may potentially carry tax implications, all tax risks arising from business activities are assessed for negative impacts from both a financial and reputational perspective as part of the group's risk and compliance framework.

Our primary focus is on minimising tax risks to the business, rather than seeking tax benefits. We have a low threshold of tolerance of tax risk.

All tax planning undertaken by the group is conducted in alignment with commercial opportunities and considerations. Research on the tax impacts at the planning stage of a transaction ensures that the risks and opportunities inherent in transactions are effectively managed by the company's tax, finance or commercial teams.

In cases of uncertainty around tax risks for a commercial transaction, Jaytrac Limited will seek the guidance of professional advisers and tax risks are considered by the Board before strategic business decisions are taken.

Tax Planning

Jaytrac Limited engages in tax planning that supports our business activities. Any tax planning undertaken will have regard to the Group's commercial vision and strategy.

All intercompany transactions are conducted on arm's length principles following the OECD guidelines.

We do make use of those tax incentives and exemptions intentionally provided in law, for example, capital allowances. But our approach is to ensure we understand and adhere to our tax responsibilities, and not to look for ways to avoid payment of tax. Any tax planning would only be undertaken if it had commercial and economic substance.

Our Relationship with HM Revenue and Customs ("HMRC")

Our objective is to engage with HMRC honestly and transparently in respect of all tax matters. We will respond to requests for information promptly and allow access to all relevant information. Should there be any dispute or uncertainty in the interpretation of tax laws we will collaborate with HMRC to resolve it. We do employ professional tax advisors and, in some cases, they may liaise directly with HMRC on our behalf.