LDH (LA DORIA) LTD

Tax Strategy 2021

Tax Strategy for the accounting period ended 31 December 2021

In accordance with the requirements of Schedule 19 Finance Act 2016, we have published the below tax strategy in respect of LDH (La Doria) Ltd ("the Company") for the accounting period 31 December 2021.

This document is publicly available on the Company's website and was originally published on 30 September 2018 and reviewed each subsequent year.

This document sets out the Company's policy and approach to conducting its tax affairs and management of tax risks, specifically it provides commentary in respect of:

1. the Company's approach to risk management and governance arrangements in relation to UK taxation;
2. the attitude of the Company towards tax planning (so far as affecting UK taxation);
3. the level of risk in relation to UK taxation that the Company is prepared to accept; and
4. the approach of the Company towards its dealings with HMRC.

The Company will only enter into transactions that would be fully justifiable should they become a matter of public record. If there is any question as to the tax treatment of a transaction the Company will obtain relevant professional advice and/or confirmation from the relevant tax authorities before proceeding.

The Company is committed to ensuring that it fulfils its social and moral obligations by operating both within the letter and spirit of relevant tax legislation to ensure a fair amount of taxation is paid in each of the jurisdictions in which the Company operates.

1) Approach to tax risk management

Management of tax risk

The Company has a policy of managing tax risk to ensure that the Company does not expose itself to significant uncertainties in respect of tax policy. This is achieved by:

- Ensuring the submission of all UK tax return on a timely basis, including sufficient detail and appropriate documentary evidence to support the filing position.
- Ensuring a level of review and assigning responsibilities such that full consideration of the tax implications is taken into account before entering into transactions.
- Avoiding entering into transactions where there is significant uncertainty over the tax treatment or where the tax treatment may be seen as controversial.
- Not engaging in any artificial transactions the sole purpose of which is to reduce tax liabilities.
- Ensuring that international standards are recognised through the application of transfer pricing policies, such as the arm's length standard, to ensure that tax is paid where the value is created.
- Ensuring appropriate professional advice is sought over significant tax matters.
- Maintaining tax accounting arrangements which comply with the Senior Accounting Officer (SAO) provisions in the UK.

Key roles/responsibilities

The overall financial operations of the Company are overseen by the Finance Director of the Company.

Systems and controls

The overriding tax principles of the Company are to ensure:

- That the Company complies with all of its tax obligations in each of its jurisdictions of operation.
- That the Company robustly plans its tax arrangements to ensure compliance with tax law and avoid unnecessary disputes with tax authorities
- That any tax decision is consistent with the Company's commercial objectives and business strategy.
- That where alternative routes exist to achieve the same commercial results the tax efficiency and viability of each route is considered to ensure that operations are conducted in an efficient manner.

Where there is significant uncertainty as to the tax risk of any transaction then relevant professional advice will be sought by the Company.

Governance and board oversight

The Company's governance arrangements ensure that a review process is in place to manage tax risk. All matters which are deemed to have a significant UK tax risk are reviewed by the Finance Director, obtaining professional advice where appropriate. The Finance Director will then conclude whether it is appropriate for the decision to be ratified by the Board of Directors.

2) Attitude towards tax planning

Code of conduct

Details of the code of ethics which applies to the Company can be found on the website of the ultimate parent company, La Doria S.P.A ("La Doria"). The principles which underpin the code of ethics are required to be upheld by the directors, employees and other stakeholders of the Company and apply equally in respect of matters of UK taxation as they do to any other situation.

The Company (and all other companies within the La Doria group) are committed to ensuring that all business operations are conducted to the highest standards of correctness, honesty, confidentiality and transparency. Of particular relevance to the Company's tax strategy are the directors, employees and other stakeholders' obligations to:

- Comply with law, regulations and company procedures.
- Conduct themselves in a manner in keeping with the company's image, based on correctness and honesty, therefore contributing to achieving the corporate objects;
- Maintain relationships with Authorities, Public Administrations, Public Institutions, both national and local, based on the principles of integrity, correctness and collaboration

Use of External Advice

The Company makes use of the services of external professional advisors in respect of taxation matters. It is the Company's policy to consult with external advisors where there is any uncertainty over the tax treatment of a transaction.

Tax planning motives

The commercial requirements of the Company are of utmost importance to any planning, whether tax or otherwise undertaking by the Company. Any and all tax planning undertaken by the Company during the accounting period has been undertaken primarily with a view to furthering the commercial success of the business.

The Company's tax planning strategy is always to act within the law, where possible the Company will seek to maximise efficiency through available reliefs, such as capital allowances on capital expenditure.

The Company does not consider itself to be involved in any aggressive tax planning and does not seek to enter into transactions where the primary motive is to obtain a tax advantage.

3) Risk Review

The Company considers that it is prepared to accept a low level of risk in respect of UK taxation matters.

The tax policies of the group in the UK are monitored by the Finance Director to ensure that tax risk is minimised and professional advice is sought where it is considered that there is an unacceptable level of risk.

Due consideration is given to the Company's reputation, brand and corporate identity along with its social responsibilities when considering taxation. It is the Company's policy to avoid entering into any tax planning which could result in negative publicity or damage the corporate reputation of the Company.

4) Approach to dealings with HMRC

How we work with HMRC

One of the Company's tax principles is to facilitate active and full co-operation with HMRC. The Company seeks to achieve this by entering into honest and transparent correspondence with HMRC on tax matters and by ensuring complete and accurate disclosure of all transactions affecting the company's tax position.

The directors consider that the Company has a productive and sustainable relationship with HMRC.

Dealing with risk

The Company's attitude to tax risk is set out above, where the company enters into transactions where there is potentially a high level of tax risk it is the Company's policy to ensure that this risk is reduced to an acceptable level before proceeding.

Should it become apparent that a previous transaction has resulted in a high level of tax risk or potential tax uncertainty then it is the Company's policy to seek professional advice and, if this does not provide satisfactory assurance, bring the matter to HMRC's attention.

Dealing with tax events

The Company considers a transaction to constitute a tax event if, as a result of the transaction there is a potentially material impact on the company's tax liabilities. Where such an event is likely to occur it is the company's policy to obtain professional advice.

Interpreting the law

United Kingdom tax legislation can be complex and there it is possible that differences of opinion and uncertainty over the interpretation of tax law may arise in certain scenarios. It is the Company's policy to refer to both professional guidance and guidance from HMRC where there is uncertainty over interpretation to ensure that it has robustly considered the risk of misinterpretation of the law before entering into a transaction.

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