

Scot JCB (Holdings) Limited and subsidiaries

UK Tax Strategy

High level overview

Scot JCB has been supplying and servicing JCB machinery throughout Scotland and the North of England for over 50 years. Over the years we have grown into a highly specialised machinery distribution company operating through a network of 17 depots throughout Scotland and the North of England.

This tax strategy applies to the holding company Scot JCB (Holdings) Limited and to all of its UK incorporated subsidiaries, including the trading subsidiary Scot JCB Limited (referred to hereafter collectively as “Scot JCB” or “the Group”).

Business strategy statement

The Scot JCB Group, trading as Scot JCB, Scot Agri, SPS and SIA, operates in three distinct business areas, namely machinery sales, servicing and repairs, and supply of replacement parts. Our strategy is focussed on supplying quality machinery to the construction, agricultural and industrial sectors, and providing first class after-sales support to our customers.

Scot JCB is family owned, and treats customers and employees as part of an extended family. The group’s core values are integrity, commitment to customer satisfaction, and a drive to constantly improve in our dealings with customers, suppliers, and colleagues.

Tax strategy statement

Scot JCB aims to pay the right amount of tax and comply with applicable tax laws, rules, regulations and disclosure requirements in all jurisdictions where we have a taxable presence. The Group pays a range of taxes including Corporation Tax, Stamp Duty Land Tax, employment taxes (PAYE and NI), and VAT.

1. Management of tax risks

The Finance Director of Scot JCB (Holdings) Limited has responsibility for the Group’s tax strategy, which is then agreed by the board of directors. The directors are committed to paying the correct amount of tax in all areas of the business and to comply with the associated legislative requirements.

The Group’s accounting systems and controls are designed to ensure that all transactions are correctly classified with regard to the tax implications of those transactions, and to minimise the risk of non-compliance with tax legislation. The employees involved in processing transactions are appropriately trained and supervised, including regular updates to keep up to date with developments in tax legislation and how that affects the business.

The Group uses third party specialists when appropriate to advise on new tax developments and the impacts on our business.

2. Attitude to tax planning

The Group does not engage in tax planning with the sole purpose of obtaining a tax advantage.

Where legitimate tax reliefs and incentives are relevant to our business, the Group will take advantage of such reliefs only to the extent that the government and tax authorities intended. The Group will only engage in formal tax planning where this is aligned with its normal trading activities and future plans.

3. Tax risks

The key tax risks to the business arise from:

- Changes in tax legislation
- New or changed business activities.
- Errors made by internal staff, whether deliberate or unintentional.

The Group takes steps to address these risks by employing staff with suitable experience, knowledge and ongoing training to identify changes in legislation and business activities which would have an impact on our tax affairs. External advice is sought where necessary to ensure new procedures are brought in where circumstances have changed. The Group's internal procedures include appropriate supervision of accounting processes and reconciliations to ensure compliance. The Group has a low tolerance for tax risk.

4. Working with HMRC

The Group operates an open, honest and professional relationship with HMRC and other tax authorities. The Group interprets tax laws in a reasonable and justifiable way that is consistent with a relationship of co-operative compliance. The Group and its employees are committed to responding to any tax enquiries from HMRC promptly and resolving these in an honest and constructive way. Any enquiries and responses will be considered in adopting future changes in our internal processes and controls.

The Group considers that this tax strategy, [which has been approved by the Board], satisfies Paragraph 16(2), Schedule 19 of the UK Finance Act 2016, in respect of the financial year ending 31 December 2023.

20 December 2023