



TAX RISK
MANAGEMENT POLICY

Tax Risk Management Policy

Overview

This policy covers the following entities within the Group, which are listed below:

1. Gowrie Holdings Limited (Registered in Isle of Man – Registration no. 3133V)
2. Laxmico Group Finance Limited (Registered in Isle of Man – Registration no. 011232V)
3. Portside North Limited (Registered in Isle of Man – Registration no. 115675C)
4. Laxmi BNS Holdings Limited (Registered in England – Registration no. 07153189)
5. Gowrie Limited (Registered in England – Registration no. 03446400)
6. Laxmico Limited (Registered in England – Registration no. 06883630)
7. Syri Limited (Registered in England – Registration no. 07457011)
8. Gowrie Retail Limited (Registered in England – Registration no. 09793374)
9. Gowrie Properties Limited (Registered in England – Registration no. 09793503)
10. Gowrie Research Private Limited (Registered in India)

SCOPE

The Group's policy on Taxation is to run the business on strong commercial terms and to comply with all relevant laws and regulations.

The tax policy within the group companies ("the Group") focuses on the following key tax areas:

- Integrity in compliance and reporting.
- Assessing and managing risks in a controlled and effective manner.

Definition

Tax risk is the risk that the Group does not properly file the required returns to HM Revenue Customs & Excise ("HMRC") and record and pays amounts relating to both direct and indirect taxes.

Taxes applicable to the business are:

- Corporation Tax
- Value Added Tax ("VAT")
- Pay As You Earn and National Insurance ("PAYE")
- Excise and Customs Duty

The Group as an overall statement recognises its obligations to meet its tax obligations as they fall due, and in compliance with current tax legislation.

Measurement and Monitoring of Tax Risk

Tax risk is measured differently depending on the tax in question.

Overall ownership of tax related matters rests with the Chief Financial Officer (“CFO”) reporting into the Executive Committee (“EXCO”). The EXCO comprises of:

- CEO & Executive Director – Mr Samit Hathi
- Chief Operating Officer – Mr Kamlesh Patel
- Chief Financial Officer – Mr Prash Patel

Corporation Tax

The Group is required to submit annual Corporation Tax Returns including the Corporation Tax Computations to the HM Revenue & Customs (“HMRC”) for each of the entities within the Group. This supports the amount of tax charges or tax losses attributable to the entities within the Group.

Prior to submission of the Return, an effective tax rate (“ETR”) calculation is performed for each entity to ensure an understanding of the tax adjustments applied to the accounting profit/loss.

Tax computations are prepared by BDO, and reviewed by independent auditors KPMG and KLSA. This reduces the risk to the Group.

Where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate from BDO or other external tax advisers. The Group has also engaged Grant Thornton and PwC as tax advisers on previous complex matters.

Value Added Tax

The Group is required to submit quarterly VAT returns to HMRC and pay any VAT due to HMRC by the statutory due dates.

VAT computations are prepared by the Accounts Team. Detailed calculations are to be prepared for each entity, which are to be supported by appropriate reports run from the Accounting Software. The quarterly computations are then reviewed by the Finance Controller and CFO who then approves the VAT returns to be submitted to HMRC together with the payments.

Payroll Taxes

The Group is required to deduct PAYE and National Insurance from employees’ and to pay these over to HMRC monthly, including employers’ National Insurance contributions. Each year, the Company is required to prepare statements (P11Ds) of benefits in kind. Monthly payroll reports are reviewed by the CFO before RTI reports are submitted to HMRC online.

Excise and Customs Duty

Where the Group exports goods outside the EU, the export manager within the Group ensures that we retain commercial and official evidence of their removal from the U.K.

Statement of Intent

The Group is resolved to ensure that it is in compliance with tax regulations and requirements at all times. Regular dialogue with KPMG and other external tax advisers ensures that the Group is up to date with latest requirements.

Transfer pricing transactions arising between entities within the Group are minimal and carried out at arm's length. The Group seeks advice as necessary from KPMG.

Tolerance

Non-compliance with tax regulations, either by ignorance, neglect, or connivance is contrary to law.

The Group has, therefore, no acceptance of tax risk.

Audit and Enquiry Management

Audits and tax authority enquiries should in most circumstances be handled by the Accounts Team and CFO, and with appropriate assistance from external tax advisers. Such enquiries will be handled in a courteous, timely and professional manner.

The CFO has an overall responsibility of communicating audit recommendations to the EXCO together with plans of how these will be implemented by the business. The CFO then monitors the implementation process and reports back to the EXCO on the progress.

Management of tax compliance

The Group has outsourced corporation tax compliance work. Whilst this does not remove management's obligations to be compliant, a level of expertise is provided to the Group to fulfil its statutory obligations.

The Accounts Team performs VAT compliance work. The tax deliverables are then reviewed by the CFO.

The Payroll Team performs payroll tax compliance work, which is then reviewed by the CFO.

The Senior Accounting Officer relies on the following in order to sign the SAO certificate:

- The use of established and well renowned systems that incorporate controls over tax related transactions.
- The use of extensive review of key tax reports, e.g. VAT returns and payroll reports reviewed by the CFO on a quarterly and monthly basis respectively.
- Sample review of documentation in specific areas, e.g. export transactions.
- Outsourcing of corporation tax compliance work, which is then reviewed by the CFO.
- Employing competent, experienced and trained staff within the Accounts Team who observe applicable laws, rules, regulations and disclosure requirements. The Accounts Team are trained to apply diligent professional care and judgement to arrive at well-reasoned conclusions.

Approval and governance

This tax risk management policy has been approved by the Senior Accounting Officer, and is owned by the EXCO for on-going monitoring.

Performance against the tax strategy is reviewed by the EXCO and key issues reported to the Board of Directors.

The Board of Directors comprises of:

- CEO & Executive Director – Mr Samit Hathi
- Chief Financial Officer – Mr Prash Patel
- Chief Operating Officer and Clinical Director – Mr Kamlesh Patel