



UK Tax Strategy

For the year ended 31 March 2025

Scope

The publication of this UK Tax Strategy statement is regarded as satisfying the statutory obligation under Para 19(2), Schedule 19, Finance Act 2016. The “Group” refers to all UK entities within the LCC Trading Ltd group of companies, LCC Group Limited and LCC Power Limited.

Our governance arrangements

Our tax strategy is governed by the Board of LCC Trading Ltd (the Board.) The responsibility for implementing it rests with our Group Finance Director (FD). The Group FD reports regularly to the Board on such matters, or on an ad hoc basis if the need arises. The tax strategy is applied consistently to all companies within the Group.

The strategy is supported by internal control frameworks which govern the operations of the Group, and are subject to regular reviews by the Group’s Board. Such control frameworks and systems also underpin our compliance with the UK Senior Accounting Officer legislation.

Day to day oversight and responsibility for the management of the Group’s tax affairs and compliance with the tax strategy is delegated to the Group FD, who reports to the Board during the year on key aspects of compliance. The Group is liable to a range of taxes principally in the UK, including corporation taxes, VAT, payroll costs, and climate change levy. To meet our compliance obligations, the Group FD is supported by an in-house accounts team and accounting professionals across the wider finance function.

Our approach to tax planning and tax risk

The Group understands that tax is inherent in every commercial transaction. Our Finance Director is involved in all significant business activities and developments, which enables us to fully assess any potential tax consequences of our actions.

We seek to fully understand the reliefs and incentives that exist within the territories in which we operate, and utilise those which are available to us and are in accordance with our commercial strategy and activities.

As a responsible tax payer, we expect our suppliers to act responsibly too, and expect that our suppliers observe similar principles set out in the UK Government’s Procurement Contract



guidelines.

All subsidiaries of the group are subject to tax in their place of residence and where economic allegiance is created, ensuring that tax is paid in the places where resources are utilised.

We have a subsidiary undertaking which is incorporated in a lower tax jurisdiction, but this entity's operations are carried out in this place, and therefore complies with the aforesaid group policy of paying tax where the resources are utilised. We also have a subsidiary which is resident in a higher tax jurisdiction and again tax is paid there, where the resources are utilized and where the economic allegiance exists. The Group is active in a number of other tax jurisdictions where operational tax compliance and obligations are met as required, but where the entities themselves remain resident in the UK for corporation tax purposes and therefore pay UK tax on any profits arising.

The level of tax risk the Group prepared to accept

We take a responsible approach to managing our tax affairs and we will always comply with applicable tax laws and regulations in the countries in which we operate.

Our approach to tax risk follows the same principles that apply to all other business risks. Maintaining our reputation with stakeholders and upholding high corporate social responsibilities have always been important to us and are key considerations in assessing risk. In keeping with our values we will always seek to do the right thing in maintaining that position. That assessment will inevitably also take into account the materiality of any item, but we do not set defined limits on what is acceptable/non-acceptable risk.

Instead, if we identify a material tax uncertainty, we will seek appropriate and proportionate external advice from reputable professional firms, and/or if the channel exists, we will engage with respective tax authorities to resolve that uncertainty.

Our tax filings and tax positions are led by commercial activities, and where judgement is required in relation to tax sensitive items in a tax return, we will report that which we reasonably believe to be in accordance with tax law. The process we follow in such circumstances includes due consideration by our internal team including the assessment of case law; published intentions of the law setters; third party advisor opinion and tax authority guidance. It will also consider the potential impact on our ongoing relationship with the relevant tax authorities.

Our approach to dealings with HMRC

We actively seek open dialogue with HM Revenue & Customs (HMRC) in pursuit of a professional and constructive 'no surprises' working relationship. We meet regularly with HMRC as we see the value in working with tax authorities so they better understand developments in our





business. It also provides the opportunity to share information about tax matters impacting our business and to agree tax positions collaboratively and where possible on a real-time basis. This is particularly important where new reliefs or incentives are introduced, or the Group's activities qualify for reliefs or incentives for the first time.



