

Lagan Specialist Contracting Group's Tax Strategy

March 2018

Background

The Lagan Specialist Contracting Group (the Group) is a privately owned, family run group of companies based in Northern Ireland.

The purpose of this document is to meet the statutory obligation, under part 2 of Schedule 19 Finance Act 2016, and sets out the tax strategy for the Group.

For these purposes the Group is defined as including those companies listed as the end of this document.

This strategy was approved by the board in March 2018.

Risk Management and Governance Arrangements

The Chief Financial Officer (CFO) is responsible for management of the tax affairs of the Group and is supported by internal Financial Controllers and a team of external tax professionals. The CFO, who is also the Senior Accounting Officer of the relevant companies, ensures that adequate controls are in place so that the correct amount of taxes are identified and paid on a timely basis and issues are resolved as required.

The CFO seeks to operate effective tax governance, understanding the tax risks relating to specific transactions and ensuring that personnel with the appropriate experience are involved in key tax decisions.

The Group engages third party advisors as and when it requires to provide advice and ensure compliance with applicable laws, regulations and reporting requirements.

Tax Planning and Approach to Tax Risk

The Group does not engage in aggressive tax planning arrangements, and the Board believes that they have a low risk attitude in relation to tax.

The Group do not engage in artificial arrangements, the sole purpose of which is to reduce tax. Tax planning is only adopted when it is aligned with commercial and economic objectives. The Group will, however, utilise reliefs and incentives that exist to reduce the overall costs incurred whilst ensuring these are in keeping with the intention of the tax legislation.

Tax is paid in the jurisdiction that commercial activities take place, as is required by local laws.

Relationship with HM Revenue & Customs

The Group are committed to working in a transparent and proactive way with HMRC. The approach to dealing with HMRC is based on the principles of openness and transparency.

The CFO engages directly with the Group's Customs Relationship Manager to discuss all areas of taxes. The Group is committed to making accurate and timely disclosures in correspondence and returns, and respond to queries raised by HMRC in a timely manner. Where disagreements arise, the CFO endeavours to work with HMRC to resolve these issues by agreement where possible.

Group Companies

The Group companies covered by this Tax Strategy are as follows:

- Costal Clearwater (Holdings) Limited
- Costal Clearwater Limited
- Dew Piling Limited
- Eaglepass Properties Limited
- FK Lowry Holdings Limited
- FK Lowry Piling Limited
- Lagan Buildings Holdings Limited
- Lagan Construction International Holdings Limited
- Lagan Construction Aviation Limited
- Lagan Construction Limited
- Lagan International (Holdings) Limited
- Lagan International Limited
- Lagan Operations & Maintenance Holdings Limited
- Lagan Operations & Maintenance Limited
- Lagan Plant Limited
- Lagan Projects Investments Limited
- Armagh Asphalt Limited
- Charles Brand Limited
- Eaglepass Limited
- Eldufgar Construction Limited
- Lagan 105 Limited
- Lagan 106 Limited
- Lagan Barrier Solutions Limited
- Lagan Construction (England) Limited
- Lagan Construction Services Limited
- Lagan Construction UK Limited
- Lagan Fit-Out Limited

- Lagan Services Limited
- Lowry Piling (Ireland) Limited
- PJ Lagan (Contracts) Limited
- Coastal Industrial Ltd
- Lagan Construction Materials Ltd
- Lagan Electrical Solutions Ltd
- H&J Martin Holdings Ltd
- Martin Estates Company Ltd
- H&J Martin Ltd
- Acumen UK Ltd
- Lagan Traffic Management Ltd
- Lagan Traffic Solutions Ltd
- Fortem Building Materials Ltd