

BioChek UK Limited – UK Tax Strategy

Introduction

This tax strategy applies to BioChek (UK) Limited (“BioChek UK”) and its subsidiary, Churchill Applied Biotechnology Limited. BioChek UK regards the publication of this tax strategy as complying with the duty under paragraph 19 (2) of Schedule 19 of the Finance Act 2016 to publish the UK tax strategy for the accounting period ending 30 June 2024. The trade of BioChek UK and its subsidiary is to develop and manufacture innovative laboratory diagnostic reagents. These are used to monitor and optimise the health of swine and poultry all over the world. These reagents are sold to fellow subsidiaries of the group headed by EW Group GmbH who subsequently sell the products to third-party customers both in the UK and in overseas countries.

This strategy is to be reviewed annually and is applicable from the date of publication until it is superseded. This strategy was approved by the managing board and sets out, where relevant to UK tax law, BioChek UK’s tax arrangements, approach to tax risk, attitudes to tax planning and working relationships with HM Revenue and Customs (“HMRC”).

Guiding principles

The UK tax strategy is guided by the group’s policies, values and code of ethics. We act responsibly and ethically in matters relating to our global corporate tax and comply with applicable tax laws and regulations in the countries in which we operate. We do not utilise artificial tax entities in our corporate structure; entities are established in jurisdictions where there is a business need.

We ensure transparency in all our communications and interactions with HMRC and encourage an open and honest relationship between our business, tax authorities and policymakers.

Tax risk management and risk appetite

BioChek UK’s tax affairs are managed centrally and are the responsibility of its managing board. These include:

- All corporate income taxes
- Employment taxes
- Indirect taxes
- Other applicable tax matters

BioChek UK benefits from the advice of outside counsel in relation to corporation tax as well as payroll tax and VAT specialists to ensure the level of tax risk arising from its operations is reduced as far as is practically responsible. BioChek UK utilises tax reliefs and allowances in the manner in which intended by HMRC and statute. In circumstances where this manner may not be clearly defined, or where alternative approaches may result in differing tax outcomes, BioChek UK will use its best judgement in combination with its outside counsel, to determine the appropriate course of action.

Tax processes are well documented and external advice is sought as necessary to ensure this. The management board of EW Group GmbH oversees the implementation and adherence to these processes. BioChek UK relies on its outside counsel as well as the management board to identify tax risks and provide solutions in line with relevant legislation to ensure BioChek UK is compliant.

Tax impacts are always considered when implementing business decisions to ensure outcomes are consistent with commercial realities. BioChek UK's management board maintains governance over BioChek's UK tax affairs and instils strong internal controls.

Attitude to tax planning

The level of risk BioChek UK is prepared to accept in relation to UK tax planning is minimal. BioChek UK endeavours to be considered a low-risk taxpayer by HMRC and we only structure our affairs based on sound commercial principles in accordance with the group policy and relevant tax legislation. Aggressive tax planning is not proactively considered and external advice is sought where appropriate.

Instead, the focus in the UK is ensuring BioChek UK is compliant with UK tax legislation and administrative requirements.

BioChek UK recognises its responsibility to pay the correct amount of UK tax. This is balanced against ensuring the commercial success of the business and so tax incentives or opportunity may be used where these:

- Are not considered to carry significant risks to either our reputation or to damaging our relationships with HMRC
- Are aligned with the intended policy objectives of the governments which introduced the incentive, and
- Are aligned with our business or operational objectives

Where a matter is complex, advice will be sought from external tax advisers along with guidance from HMRC to determine the intention of the legislation and act accordingly.

Working relationship with HMRC

BioChek UK is committed to maintaining an open, honest and positive working relationship with HMRC.

BioChek UK is committed to prompt disclosure and transparency in all tax matters and BioChek ensures information provided to HMRC under disclosure requirements and filing obligations are clearly presented. BioChek UK always aims to comply with its tax filing, reporting and payment obligations.

Guidance and clearance are sought where appropriate. BioChek UK recognises that there may be areas of differing legal interpretations between the company and HMRC. Should this occur, BioChek UK will engage in proactive discussion with HMRC to ensure matters are resolved in a timely manner.