

NG Bailey Group Tax Strategy

This document sets out the tax strategy for NG Bailey Group Limited and its subsidiaries (“the Group”) for the year ended 26 February 2021. The publication of this strategy is regarded as satisfying the requirements of the Finance Act 2016, Schedule 19, Paragraph 16(2) for all UK operations and will remain in effect until it is superseded.

Approach to tax risk management and governance

The Group takes its tax responsibilities extremely seriously and is committed to meeting its statutory tax obligations.

The Group Board and Audit Committee review and approve the Group’s tax strategy at least annually. This covers the Group’s approach to tax risk and tax planning. This tax strategy was approved by the Group Board on 10 February 2021.

Responsibility for implementing the tax strategy and management of tax-related matters lies with the Chief Financial Officer (CFO) with oversight from the Group Board and the Audit Committee. The Group Financial Controller (GFC), with the support of the Head of Central Finance, Tax Manager and the wider finance team, ensures adequate controls are in place to meet the Group’s tax obligations. The team are appropriately qualified and experienced. Where appropriate, expertise is sought from external advisors to supplement internal capabilities, particularly for complex or uncertain tax matters.

The Group seeks to manage the level of tax risk as far as practically possible. The Group has a tax risk register, which documents all tax risks identified by the Group and the controls in place to address each. These risks and controls are reviewed regularly by management to ensure that the register is complete and the controls are operating effectively, with changes to processes and controls made when required to reflect business and legislative changes. Once a year, tax controls are reviewed by the Internal Audit function with their findings presented to, and considered by, senior management and the Audit Committee.

The CFO and GFC attend the Audit Committee meetings and there is a standing item to provide updates on significant tax risks and developments.

Attitude to tax planning

A key element of the Group’s tax strategy is to maintain its low UK tax risk rating as determined by HMRC’s Business Risk Review process.

The Group structures its tax affairs to maintain its wider corporate reputation; complying with applicable tax laws so the right amount of tax is paid at the right time. The Group's tax strategy is consistent with the Group's Code of Integrity. This sets out the overarching principles which ensure the Group's operations meet the highest standards of integrity, maintaining its reputation and being a trusted group to deal with.

The Group will only engage in reasonable tax planning that is aligned with commercial activity, seeking advice from external advisors where uncertainty or complexity exist. When entering into transactions, the Group will take advantage of available tax incentives, reliefs and exemptions.

The level of risk that is acceptable

We are committed to minimising tax risk and seek to reduce potential tax risks to an acceptable low level through our internal risk management procedures, which includes seeking advice from external advisors, and through making full disclosure to HMRC in advance.

In assessing whether an acceptable low level of risk has been achieved, we consider various factors including, but not limited to, the financial impact, the impact on business reputation and the impact on our relationship with HMRC.

Working with HMRC

The Group is committed to maintaining a transparent and constructive dialogue with HMRC with updates on business activities and key developments as they arise. The group seeks the views of HMRC on uncertain tax positions on a real-time basis. The GFC, Head of Central Finance and Tax Manager meet on an annual basis for a business review meeting with HMRC.