

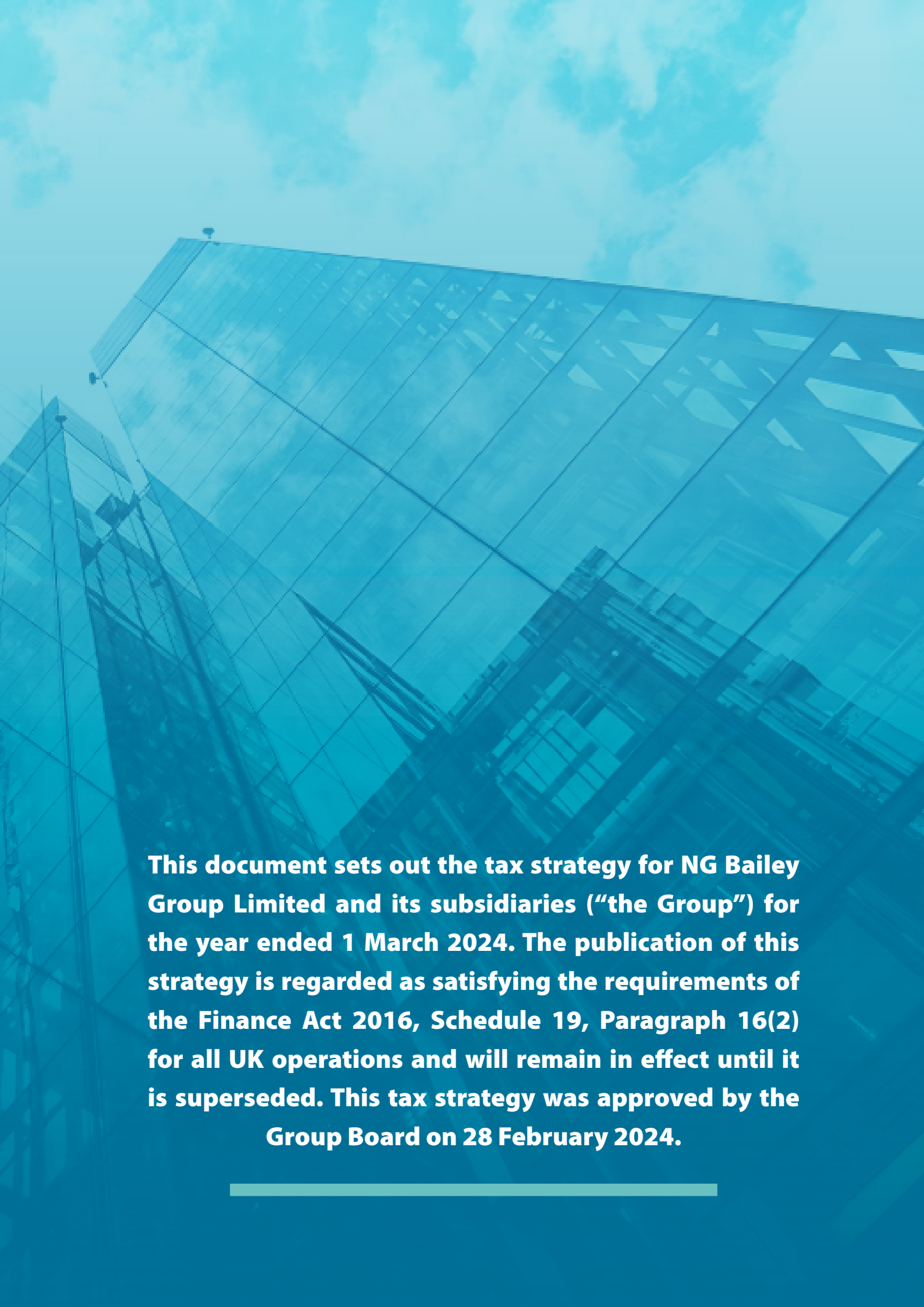


NG Bailey

# NG Bailey Group

## *Tax Strategy*

PASSION | INTEGRITY | RESPONSIBILITY | EXCELLENCE



**This document sets out the tax strategy for NG Bailey Group Limited and its subsidiaries (“the Group”) for the year ended 1 March 2024. 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of the Finance Act 2016, Schedule 19, Paragraph 16(2) for all UK operations and will remain in effect until it is superseded. This tax strategy was approved by the Group Board on 28 February 2024.**

---

## Approach to tax

The Group takes its tax responsibilities extremely seriously and is committed to meeting its statutory tax obligations. We are a business founded on our values of passion, integrity, responsibility and excellence which guide the Group's strategy, decisions, processes and the way we work and behave in all aspects of our business. Our low-risk approach to tax is therefore firmly embedded within the business and integral to our culture.

## Tax risk management and governance

Responsibility for implementing the tax strategy and management of tax-related matters lies with the Chief Operating Officer (COO), who is also the Group's Senior Accounting Officer and a Group Board member, with oversight from the Group Board and the Audit & Risk Committee.

The Group Finance Director (GFD), with the support of the Tax Manager and the wider finance team, ensures adequate controls are in place to meet the Group's tax obligations. The teams consist of appropriately qualified, experienced and professional individuals. 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 two tax risk registers, one for tax risks and one for risks that are within scope of the Corporate Criminal Offence ('CCO') legislation. These document the tax risks identified by the Group and the controls in place to address each risk. These risks and controls are reviewed regularly by management to ensure that the register is complete, and there is a continuous programme of testing to validate that these controls are operating effectively. Changes are made to processes and controls when required to reflect business and legislative changes.

Each year the identification of tax risks, their associated controls and the testing of these controls are reviewed by the Audit and Assurance team with their findings presented

to, and considered by, senior management and the Audit & Risk Committee. The Audit and Assurance Team also review the Group's compliance with CCO legislation periodically to provide assurance that the business has designed controls that could be expected to prevent an offence occurring under CCO legislation as well as applying the six guiding principles of defence. An annual review of compliance under CCO legislation and the Group's procedures is presented to the Audit & Risk Committee.

The COO and GFD attend each Board and Audit & Risk Committee meeting. Tax is a standing item at each meeting for the COO to provide updates on significant tax risks and developments and to ensure that decisions are made in accordance with this tax strategy. The Group Board and Audit & Risk Committee review and approve the Group's tax strategy at least annually.

The tax team proactively engage with the business regularly on tax matters to provide advice on the operational impact of tax matters, to ensure that tax strategy, policy and messages are cascaded across the business and that significant tax matters are escalated appropriately through the Group and up to the Group Board where appropriate.

Regular dialogue with the wider business is a key tool for managing and minimising tax risk.



**Identification**  
of tax risks

Tax risk  
**controls**

**Testing** of tax  
risk controls

## Attitude to tax planning

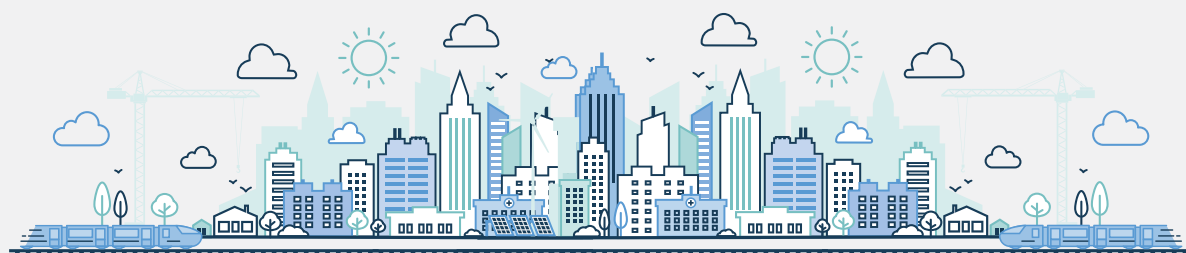
A key element of the Group's tax strategy is to maintain its low UK tax risk rating as determined by HMRC's Business Risk Review process.

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 business 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 Group does not have a target effective tax rate.

**The Group takes its obligations under the CCO legislation extremely seriously. As well as maintaining a CCO risk register and seeking internal assurance, the following approach is adopted to support compliance:**

- ✓ The CCO policy confirms our zero tolerance approach to tax evasion and the facilitation of tax evasion. This means we expect all our employees and all other associated persons not to engage in any activity which evades tax or facilitates or may facilitate the evasion of tax by any other person (company or individual). It does not matter whether the taxes are UK taxes or are due to an overseas fiscal authority;
- ✓ We will not knowingly engage with a third party (including those who contract with us or otherwise provide services to us) who does not approach compliance with a similar spirit that we do;
- ✓ We expect all employees and associated persons to be able to identify and take steps to prevent scenarios where there may be a risk and that they are facilitating others to commit tax evasion;
- ✓ As a Group, we support the questioning and eventual declining of business where there are suspicions of tax evasion or the facilitation of tax evasion;
- ✓ A series of internal communications on CCO requirements is issued to all employees and mandatory training is undertaken by employees working in finance, procurement, HR and commercial (the teams' that have higher exposure to tax related activities). This training is repeated annually.



## 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 GFD and Tax Manager meet on an annual basis for a business review meeting with HMRC.



**HM Revenue  
& Customs**



**NG Bailey**

**PASSION | INTEGRITY | RESPONSIBILITY | EXCELLENCE**