

CROWN CREST GROUP LIMITED

Crown Crest Group Limited
Desford Lane
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Leicester
LE9 2BJ

Tax Strategy

1 Introduction

The Crown Crest Group of Companies are a privately owned, family run Group. The Group contains the following entities:

- CCG Topco Limited
- Crown Crest Group Limited
- Crown Crest (Leicester) Limited
- Seaham Investments Limited
- Instore Limited
- Modern Market Retailing Limited
- Poundstretcher Limited
- Trison Estates Limited
- Bargain Buys Properties Limited
- Bargain Buys Trading Limited

This document, approved by the Chief Executive Officer and Chief Financial Officer, applies to all the above UK entities (referred to as 'the Group').

The publication of this tax strategy is regarded as satisfying the Group's statutory obligation under Paragraph 16(2) Schedule 19 Finance Act 2017 and sets out the strategic tax objectives of the Group.

This strategy applies for the period 1 April 2023 to 31 March 2024.

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2 Approach to risk management and governance arrangements in relation to UK taxation

The Chief Financial Officer is responsible for the day-to-day management of UK tax risk for the Group, which is overseen by the Chief Executive Officer. The Chief Financial Officer is supported in this role by the Head of HR, Head of Procurement and Head of Imports who each take responsibility for their areas of taxation and ensuring that UK tax risks are effectively managed.

The Group outsources their corporation tax compliance to third party advisors and will more widely use third party advisors to provide advice and guidance where necessary to assess and mitigate tax risk, with a focus on ensuring that key tax risks for the business are managed to the fullest extent possible.

Internally, the Group has a lean but capable finance team with clear roles and responsibilities for staff to ensure compliance with UK tax requirements. The team have the appropriate financial qualifications and level of experience commensurate to the responsibilities required for their roles.

In recent years the Group has been through a lot of change, and the focus in the current financial year has been in reviewing and improving the fundamental accounting processes of the business.

The Group's aspiration is to achieve a consistent low-risk rating with HMRC in future Business Risk Reviews. To achieve that aim, the Group is putting in place a roadmap which ultimately leads to a robust tax control framework being implemented, which will provide significant assurance over the compliance with UK tax laws and regulations in all facets of business activity. At present, whilst there are controls in place, these require a lot of manual input and bringing these controls up to date and automating wherever possible is the Groups strategic aim.

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3 Tax Planning in the UK

The Group will not undertake planning which is artificial and where its sole purpose is to reduce tax in a contrived manner.

As a business the Group seek to create sustainable value for its shareholder. Like any other business expense, the Group seek to manage their tax costs. Where incentives and exemptions are introduced by the fiscal authorities with the typical purpose of supporting economic development, the Group may utilise these incentives where it is appropriate to do so.

Commerciality is the key driver of business decisions. Commercial transactions may be structured in a way which provides for legitimate tax efficiencies permitted by law. Whilst tax will never be the driving factor for how a transaction is structured, naturally the structure of a transaction will contain tax considerations.

Where a number of options exist to achieve the same commercial outcome, the Group will consider the most tax efficient option where it aligns with commercial reality. The Group will seek external advice to support the decision-making process where issues contain technical complexity.

4 Approach to Tax Risk

The Group has a low appetite to risk when it comes to tax matters. As part of the overall journey the Group is undertaking with regards its tax governance, a detailed tax risk register is being implemented which will allow management to fully identify and monitor the areas of the Group's activities where heightened levels of tax risk exists.

In reviewing the tax risk associated with business decisions the following will be considered:

- Legal and fiduciary duties of directors and employees
- Potential impact on the Group's reputation
- Consequences of potential disagreements with tax authorities, and any impact on relationships with them

Based on these considerations the Chief Financial Officer and Chief Executive Officer will determine the whether the tax risk associated with a business decision is of an acceptable level

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5 Engagement and Approach with UK Tax Authorities

The Group is committed to the principles of openness and transparency in its dealings with HMRC.

Over the last 12 months, the Group has increased its levels of engagement with HMRC and noted the benefits of positive and pro-active relationship with HMRC and will continue to maintain this open dialogue with our Customer Compliance Manager to support the Groups ultimate aim of being low risk consistently on tax matters.