

## **Scope**

This strategy applies to C.E.M. Day Limited (Day's), a limited company registered in England and Wales. Day's is a subsidiary undertaking of Day's Property Holdings Limited (DPH), a company registered in England and Wales. This strategy has been published in accordance with paragraph 22(2) of Schedule 19 to the Finance Act 2016 (duty to publish a company tax strategy for a UK qualifying company).

This strategy relates to the financial year ending 31 December 2017 and applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which Day's has legal responsibilities.

## **Aim**

As a member of the DPH Group, we engage in the sale of automotive vehicles and related after sales services in the United Kingdom. Day's is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. Day's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with Day's overall high standards of governance.

## **Governance in relation to UK taxation**

- The local accounting and tax division of Day's is responsible for formulating tax strategies in conjunction with the group. The division communicates with DPH in relation to the development of these strategies. Day's obtains advice and technical support from reputable accounting firms and others as required in relation to those tax strategies. In formulating the strategy Day's fully considers the company's tax and economic risks. Ultimate responsibility for Day's tax strategy and compliance rests with the Board of Day's.
- Day-to-day operations are executed by the staff in charge of accounting and tax affairs at Day's Finance Team and are supervised by the Finance Director of Day's.

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- The staff in charge of accounting and tax affairs have the skills and experience required to perform their tasks properly. Where necessary Day's staff will engage with and obtain advice from reputable tax advisers.
- The Board of Directors of Day's make the ultimate decisions on important tax issues.
- The Board of Directors of Day's ensure that Day's tax strategy is one of the factors considered in all investments and significant business decisions taken.
- The Finance team at Day's reports to the Board of Directors on Day's tax affairs and risks during the year.

### **Risk Management**

- Day's has internal financial procedures which set out the established procedures for all processes such as ordering stock, taking on new customers, posting and paying invoices, ordering fixed assets and authorising employee expense claims. This manual was prepared by the Finance team and is adopted by all staff at Day's. The company has sufficiently robust control processes in place to accurately record transactions. As part of the annual external audit process, internal controls are tested in line with International Standards on Auditing.
- Day's seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. For example, the accuracy and completeness of payroll taxes are monitored by the Finance department and key tax accounts such as VAT are reconciled by the Finance team. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.

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- Appropriate training is carried out for staff who manage or process matters which have tax implications. Staff will attend external technical events as necessary.
- Advice is sought from external advisers where appropriate on tax planning or tax compliance matters. Any complex VAT or customs duty issues are dealt with by local specialist VAT consultants as and when necessary.
- The company out-sources the preparation and filing of the company's annual corporation tax returns to a reputable firm of chartered accountants. This ensures that the company is kept up to date as far as possible with emerging tax issues and tax legislation changes. That firm will deal with any questions or enquiries received from HMRC although the frequency of this is very low.

### **Attitude towards tax planning and level of risk**

Day's manages risk to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax at the right time.

When entering into commercial transactions, Day's seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, UK tax legislation and where appropriate overseas tax legislation. Day's does not undertake tax planning which has little or no commercial substance or which is artificial in any way.

The level of risk which Day's accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. Tax risks associated with commercial transactions will be identified by the Finance team in conjunction with the Board of Directors and external advisers and are assessed on a case-by-case basis.

At all times Day's seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board of Directors of Day's are ultimately responsible for identifying the commercial and economic risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

## **Relationship with HMRC**

Day's seeks to have a transparent relationship with HMRC ensuring that relevant information in respect of developments in Day's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes are made available as and when required.

For corporation tax matters, local reputable tax advisers help to maintain the company's good working relationship with HMRC.

Day's files tax returns and pays taxes in a timely fashion and provides information appropriately to HMRC either at its request or under the Self-Assessment regime. The company has what it considers to be a good relationship with HMRC measured by the very low frequency of questions, enquiries or HMRC visits. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified. If any issues or errors are pointed out by HMRC, the company will investigate their causes and take steps immediately.

If our views are different from those of HMRC, we will explain our views and the basis for them in good faith to find solutions. When submitting tax computations and returns to HMRC, Day's discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.