Caffyns Plc tax strategy

The turnover of Caffyns Plc (“the Company”) in the year ended 31 March 2024 was more than £200 million. Accordingly, this tax strategy document has been prepared to explain the Company’s approach to managing its tax arrangements and to comply with Schedule 19 of the Finance Act 2016. This strategy document covers Caffyns plc and its subsidiaries Caffyns Properties Limited, Caffyns Wessex Limited and Fasthaven Limited. Caffyns plc is the only trading company in the group. The Company’s trade is solely in the United Kingdom and it does not pay tax in any overseas jurisdiction.

This document has been approved by the Company’s Audit & Risk Committee and Board of Directors. The Board of Directors is responsible for the tax strategy with the Finance Director responsible for the delivery of the strategy. The Finance Director is also the Company’s Senior Accounting Officer. Due to its relatively small size and lack of tax complexity, the Company does not employ a dedicated Tax Manager but has a well-resourced accounts team. Where appropriate, training is made available to cover tax matters.

This tax strategy document is effective for the year ended 31 March 2025. The Company’s tax strategy will continue to be reviewed annually with any amendments or alterations being approved by the Company’s Audit & Risk Committee and Board of Directors.

The policy is available to all employees via the Company’s intranet and is also available on the Company’s corporate website, www.caffynsplc.co.uk.

Any references to tax in this document cover all forms of direct and indirect taxes including Corporation Tax, VAT, PAYE, National Insurance, Vehicle Excise Duty, Insurance Premium Tax and Stamp Duty Land Tax.

Managing our tax risks

The Company is committed to meeting its tax obligations in full and to complying with all relevant tax laws. The Company maintains a register of tax risks and has implemented tax compliance procedures to ensure that any risk of error or omission is minimised. Our procedures are also designed to allow for the early identification of any areas of non-compliance so that appropriate remedial action can be taken at the earliest opportunity. Where appropriate, the Company utilises external professional support to compile its returns and takes external professional advice to support its decision-making processes. Where third parties make submissions on behalf of the Company, procedures are in place to check the data prior to its submission to the tax authorities.

Attitude to tax planning

The Company is a public company listed on the London Stock Exchange and has a responsibility to its shareholders and other stakeholders to operate in a tax efficient manner whilst remaining compliant with all applicable tax legislation. The Company takes a conservative approach to planning its tax arrangements and does not consider its strategy regarding tax to be aggressive. The Company has not entered into any arrangements which would be notifiable to HM Revenue & Customs under the Disclosure of Tax Avoidance Schemes legislation. The Company does not set a specific effective rate target for tax and no employees are remunerated in relation to the amount of tax the company pays. The Company does take advantage of incentives such as capital allowances and the roll-over of capital gains where such specific provision is allowed for within tax legislation.

Our systems

The Company operates a third-party dealer management accounting system which is widely used in the motor retail industry in which it operates. Payroll taxes are calculated using a widely used third-party specialist payroll software system. No bespoke in-house software systems are used for tax reporting.

Working with HM Revenue & Customs

The Company operates in an open and transparent way and with integrity in its dealings with HM Revenue & Customs. Through our systems and the knowledge and diligence of our staff we aim to ensure that all our returns are accurate and are submitted prior to their deadline. Where information is sought from us by the tax authorities we seek to respond in a timely and open manner. The Company attempts to forge a professional relationship with its Customer Relationship Manager and seeks to meet periodically to ensure any concerns can be aired and addressed. Should differences of opinion arise in relation to how tax legislation has been interpreted then the Company seeks to find common ground and reach agreement as quickly as possible.