

# MajesticWineplc

## Majestic Wine Plc - UK Tax Strategy

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This document sets out the Tax Strategy of Majestic Wine Plc (the “Company”) and its UK subsidiary undertakings (together the “Group”) for the Financial Year 2017-18. Majestic Wine Plc is making this strategy available to fulfil its obligations under Schedule 19 of the Finance Act 2016.

This document was approved by the Board in March 2018 and will be reviewed in each financial year with any amends approved by the Board of Directors.

### **1) The Group's approach to risk management and governance**

The Board takes compliance with tax regulations seriously and is responsible for ensuring that the Group’s governance achieves this, while remaining efficient.

The Group Chief Financial Officer, is responsible for keeping the board of directors of the Company (the “Board”) apprised of material tax decisions or events, allowing all Board members and the Group Audit Committee, to be adequately engaged in the group’s tax affairs. The senior finance team are responsible for the day to day implementation of the tax strategy and management of the day to day tax affairs of the Group, as well as highlighting any changes in local tax regulation

The Group maintains a global code of conduct and control standards. Each business units’ performance against the standard is tested annually by the Group Controls Manager with the results and any required action plans being reviewed by the Board. These reviews seek to confirm that all relevant taxes have been paid on a timely basis, which provides the Board additional insight into the management of tax affairs by each business unit.

External advice is sought on any substantive tax decision, as well as in ensuring ongoing accuracy and compliance with all relevant standards in our tax submissions.

### **2) The Group's attitude towards UK tax planning**

The Group is a responsible taxpayer that typically only accepts a low level of tax risk. We recognise that tax is, by its very nature, complex and often uncertain.

Consistent with our business goal of creating shareholder value by “Doing the Right Thing”, the Group does not participate in aggressive tax planning. As an international Group which supports its overseas subsidiaries from the UK we have documented intercompany trading procedures that are commercially motivated and reflect the underlying economic substance of our business. To ensure these are consistent with internationally accepted benchmarks, our intercompany trading arrangements were developed with external expert advice to support the Group’s decision making process.

### **3) The level of risk in relation to UK taxation that the Group is prepared to accept**

Domestically, as a collector of substantial revenues on behalf of HMRC in the form of VAT, duty and payroll taxes as well as paying substantial corporation taxes the Group is committed to ensuring it submits all returns and payments to HMRC in a timely manner. The Group has a low tolerance for tax risk and is committed to full compliance with tax obligations, paying the right amount of tax at the right time. The Group seek to ensure that its tax arrangements remain consistent with a low risk assessment, both in financial and reputational terms.

The Group uses expert external advice and support to ensure that all filing positions are appropriate and supported by any necessary documentation.

To support this the Group maintains robust and accurate accounting arrangements in compliance with the Senior Accounting Officer (SAO) arrangements in the UK.

### **4) The Group's approach towards dealings with HMRC**

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC and, in particular, the Group is committed to:

- Making fair, accurate and timely disclosure in correspondence and returns and respond to queries and information requests in a timely fashion.
- Seeking to resolve issues with HMRC in a timely manner and, where disagreements arise, work with HMRC to resolve issues by agreement where possible.
- Being open and transparent about decision-making, governance and tax planning.
- Ensuring all interactions with HMRC are conducted in an open, collaborative and professional manner