

Carsa Tax Strategy

This document has been approved by the Board for publication in accordance with Schedule 19 of the Finance Act 2016.

Carsa Limited (Carsa) is a UK-based business whose activities principally comprise the retailing of used vehicles.

Honesty and fairness are enshrined in Carsa's values, and this applies to its approach to taxation as much as to any other area of the business.

Tax Risks

Carsa pays a range of taxes including corporation tax, stamp duty, VAT and employment taxes. It also collects employee taxes through the payroll. There is limited export activity, and the business has no overseas or offshore entities.

Consequently Carsa considers that the most important tax risk relates to VAT, as there is a greater level of complexity in VAT applied to the motor retail sector.

Tax Risk Management & Governance Arrangements

Carsa manages its tax risks in a variety of ways.

Honesty and fairness are key values of Carsa, and the senior management team ensures that these values are built into the culture of the business. This includes the importance of compliance with law and regulation.

Carsa employs a highly professional team, with more than 50 Years' experience in the motor sector. The senior operational management team are also well-educated on all tax issues affecting their business.

Carsa will always contact HMRC direct should there be any confirmation of any Tax treatment required.

Carsa invests in Training/Inductions ensuring that key compliance requirements and messages are delivered not only to new starters, but also to existing staff members, in a structured and professional way.

Should any significant tax issues arise, they are raised and discussed at length at Operational Board Meetings, ensuring that key leaders of the business quickly understand and respond to such issues. In terms of governance, the Board is responsible for Carsa's tax strategy and tax risks.

Attitude to Tax Planning

Carsa has essential obligations to its shareholders, employees, stakeholders, HMRC, and the wider community to manage its tax affairs efficiently, and to pay taxes due according to the intention of tax regulations.

The recognition of these obligations informs its approach to tax planning. Carsa engages its tax advisors in respect of any major project or exceptional event.

Carsa does not operate any scheme which could reasonably be deemed as tax avoidance, which might not be against the letter of tax law but is against its apparent intention.

Working with HM Revenue and Customs

Honesty and fairness are integral to Carsa's values and culture. Its interaction with HMRC is characterised with the same high standards of integrity and transparency which is applied to all stakeholders.

Carsa works collaboratively with HMRC to resolve disputes, and to seek clarification where there is uncertainty in the interpretation of tax laws. As a result, the business considers that its relationship with HMRC is very positive.

Approved by the Board on 30 September 2020