

JCT600 Group Tax Strategy

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This document relates to financial year ending 31 December 2018

Introduction

JCT600 is a privately owned motor group established in 1946 operating franchises for a number of the world's major motor vehicle manufacturers.

The Group is based entirely in the UK with 51 sites located in Yorkshire, Lincolnshire and the North East.

Tax Risk Management

The business mitigates business tax risks with a robust independent finance team operating a standardised accounting system governed by the Group Financial Control manual.

The business operates 5 divisional accounting centres each one under the control of a Brand Financial Controller reporting directly to the Group Finance Director.

The Group Finance Director sits on the Parent Board and reports to the CEO and Chairman. The Operations Director reports to the CEO. This reporting division provides a strong level of financial control.

The group's management systems and division of duties in the accounting centres ensures the integrity of all accounting entries. The nominal ledger is structured to allow the company to accurately report its tax liabilities.

Payroll and HR Administration being centralised at Head Office under direct control of the Group Financial Director allows strong control of PAYE and benefits taxes.

Further scrutiny and review of all submissions to HMRC is conducted by the Finance Team at JCT600 Head Office. This adds a further level of control.

Grant Thornton oversees the production of the Groups Corporation Tax Returns and Deloitte provide further specialist tax advice.

Tax Planning

The Group maintains sufficient accounting systems and internal controls to ensure accurate records are held for completion of all tax returns it is legally obliged to complete.

The Groups aim is to pay the correct amount of tax to the UK tax authority.

Grant Thornton and Deloitte provide expert guidance on all JCT600's tax matters including the completion of the Group's annual corporation tax returns.

The Groups only tax planning revolves around ensuring all its legal obligations are met.

Tax Risk

The Group takes a low risk strategy towards its UK tax obligation aiming to minimise its risk.

The Groups management structure, accounting systems and policies enable the business to achieve this objective.

Relationship with HM Revenue & Customs

JCT600 takes an open, honest, inclusive and co-operative approach towards working and dealing with HM Revenue & Customs in respect of tax matters.

All communication between HM Revenue & Customs are handled through JCT600's Head Office by its Group Finance Director and Group accountant as these individuals are best placed to facilitate an efficient working relationship.

Due to the repetitive nature of the majority of JCT600's transactions tax compliance is ensured by systems and processes embedded within the business.

Where new legislation arises, there is uncertainty around an existing transaction or a new type of transaction arises, advice is sought from 4 main sources. These are as follows:

1. HMRC On-line guidance notes
2. HMRC help lines
3. JCT600's HMRC Customer Relationship Manager
4. Grant Thornton or Deloitte tax specialists

Where new tax legislation arises, advice is sought from sources 3 and 4.

This document is published to meet the requirement of Finance Act 2016, Schedule 19, Part 2.