

Eastern Holdings Limited
Tax Strategy
1st January 2023

Background and Scope

This strategy applies to Eastern Holdings Limited and to the group of companies headed by Eastern Holdings Limited in accordance with paragraph 16 of Schedule 19 to the Finance Act 2016 (the “Schedule”). In this strategy, references to the “Eastern Group” or “the Group” are to all of these entities. A list of the entities to which it applies is set out below. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded.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 and 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 the Group has legal responsibilities.

Aim

The Eastern Group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group’s tax affairs are managed in a way which takes into account its wider corporate reputation in line with the Eastern Group’s overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for the Eastern Group’s tax strategy and compliance rests with the Group’s Board of Directors.
- The Board’s requirement to monitor the integrity of the Eastern Group’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation.
- The Group Finance Director is the Board member with executive responsibility for tax matters. Reports are made to the Board on the Eastern Group’s tax affairs and risks during the year.
- The Group Finance Director is supported by the Eastern Group’s finance team, which is staffed with appropriately qualified individuals.
- The Board ensures that the Eastern Group’s tax strategy is one of the factors considered in all investments and significant business decisions taken.

Risk Management

- The Eastern Group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group’s financial reporting system.
- The Eastern Group 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 that are in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.
- Appropriate training is carried out for staff outside the finance team who manage or process matters which have tax implications.
- Advice is sought from external advisers where appropriate, including where uncertainty on significant transactions exists.

Attitude towards tax planning and level of risk

The Eastern Group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, the Eastern Group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. The Eastern Group does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the Eastern Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. At all times the Eastern Group 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 specific issues or transactions, the Board is ultimately responsible for identifying the risks, including tax risks, that 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

The Eastern Group seeks to have a transparent and constructive relationship with HMRC through meetings and regular communication in respect of developments in the Eastern Group business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

The Eastern Group ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. All significant tax risks are identified at the time of preparation of tax returns and, when these are submitted to HMRC, the Eastern Group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified. All dealings with HMRC are undertaken in a collaborative and timely manner.

Update

Until the UK trading position is resolved, Eastern Holdings Limited have taken the decision to temporarily suspend all sales to the EU & NI.

List of entities covered by this Tax Strategy

Active companies

- Eastern Holdings Limited
- Eastern Motor Company Limited
- Eastern Properties (Scotland) Limited
- Eastern Western Motor Group Limited
- Murrayburgh Limited
- Western Automobile Company Limited

Dormant companies

- Autocloud Limited
- Car Cloud Limited
- Car Deal Cloud Limited
- Car Deal Warehouse Limited
- Eastern Western Financial Services Limited
- EWFS Limited
- Foxburgh Limited
- GOFE Limited
- Grassicks Garages Ltd
- Independent Cars (UK) Limited
- Northern Automobile Company Limited
- Realwand Limited
- Southern Automobile company Limited
- Westcars (Broomhill) Limited
- Westcars (Holdings) Limited
- Westcars Limited
- Westcars Tayside Limited
- Western Europa Limited