

## **UK TAX STRATEGY**

### **NORTHAMPTON ACQUISITION LTD.**

**October 2023**

#### **Overview**

This is the UK tax strategy for each UK sub group, UK qualifying company, UK permanent establishment and UK partnership within the Northampton Acquisition Ltd (NAL) group of companies.

At Larson-Juhl we have spent the past 40 years continually innovating and developing our stunning range of crafted frames and mouldings to meet our customers' ongoing requirements. We have set the industry standard. Offering over 2000 different mouldings in a variety of styles and finishes and the most comprehensive range of stunning frames, mountboards, glass and accessories in the market.

In overview we strive to manage our tax affairs in accordance with the core principals of our group which are: Customer always comes first, Fair and honest in all dealings, Respect for the individual, Excellence in products and service, Rewards tie to performance and Leadership by example.

Publication of this strategy is considered as satisfying Para 19 (2), Schedule 19 of the UK Finance Act 2016 in respect of Northampton Acquisition's financial year ending 31 December 2023.

#### **Governance**

Overall responsibility for tax risk management, governance is with the NAL Finance Director and the Board. Senior Management is updated regularly on their responsibilities in relation to tax, changes in tax law and any significant risks.

Operational responsibility for tax compliance, risk management and general tax matters (corporation tax, Value Added Tax, Employment tax matters and PAYE) falls to the Management Accountant, assisted by external advisors.

Broader tax responsibilities relating to specific tax processes and data requirements may sit within other departments such as Finance, Human Resources, Compliance and Operations. Where this is the case, these responsibilities are documented within a governance framework and subject to internal audit or external review on a periodic basis.

#### **Management of tax risk**

NAL aims to ensure all tax returns and the tax payments are made within statutory deadlines and provide all relevant tax-related information and documents that may be requested by HMRC on a timely basis.

We aim to maintain compliance with tax laws and legislation via a strong system of internal governance that requires documented internal processes and controls, using appropriately qualified and experienced staff. Key tax decisions are taken at an appropriate level, with diligent professional care and judgment and supported with documentation that evidences the facts, conclusions and risks involved. Any unusual and/or material tax items are reported to the NAL Finance Director. These tax items are then discussed with our external tax advisors to ensure compliance.

Tax is managed by the business in a manner that is consistent with other areas of operational risk by introducing and maintaining appropriate monitoring and management procedures across the organisation. The business does not have a fixed monetary level of acceptable risk but seeks to minimise the risk of operational failure by undertaking the following activities:

- **Monitoring** – The tax function is responsible for identifying relevant changes in the tax regime and ensuring systems and processes are updated appropriately. The NAL Finance Director is involved in significant business changes in order to confirm that tax matters have been appropriately considered.
- **Management** – NAL has established tax processes and controls in place to manage specifically identified tax risk. Operation and development of these controls is subject to continuous improvement/enhancement.
- **Communication** – The NAL Finance Director is responsible for communicating tax risk within the organisation.

### **Approach to tax planning**

When engaging in commercial activity, the business seeks to understand the relevant tax implications for the group. Our approach to tax planning focuses on the effective management of the group's tax position in line with the broader commercial objectives to deliver long term economic value to our shareholders.

Our intention is to ensure all tax positions are built on sound business activities. We pursue tax credits when appropriate and elect to take low risk provisions that are intended to lower the cost of doing business. We expect employees to act in an ethical manner and to comply with all applicable laws and regulations. Where the tax treatment is significant or uncertain, we may obtain professional opinions from external tax advisors.

We do not use artificial structures that are unrelated to the Company's business for the sole purpose of reducing the tax burden.

### **Working with HMRC**

At NAL we aim to manage our tax affairs responsibly and transparently and in a way that is compatible with the requirements for HMRC's low tax risk classification by:

- being open and timely with HMRC about the management of all tax compliance risk;
- raising significant compliance issues, uncertainties and/or irregularities with HMRC as they arise;
- promptly providing full, accurate and helpful answers to HMRC queries;
- maintaining clear accountabilities up to and including the Board of Directors for the management of tax compliance.

We never deliberately conceal or knowingly misrepresent issues to HMRC. If we discover errors, we strive to disclose them as soon as reasonably practical.