

PayPoint plc

Tax strategy

Approved: May 2025

PAYPOINT PLC

Tax Strategy

1 Background and objective.

- 1.1 This document sets out the strategy of PayPoint plc and its subsidiary undertakings ("PayPoint" or "the Group"), and in making this strategy available the Group is complying with its responsibilities under paragraph 16(2) of Schedule 19 of the Finance Act 2016 (duty to publish a tax strategy). This strategy applies to all UK taxes applicable to the Group.
- 1.2 It has been approved by the board of PayPoint plc and sets out the Group's approach to conducting its tax affairs and dealing with tax risks for the year ending 31 March 2026.

2 PayPoint commitments

- 2.1 PayPoint's corporate values of being ambitious, collaborative, accountable, results focused, a good colleague and having a can-do attitude, inform our approach to tax as they do to the rest of our activities and are reflected throughout our tax strategy. PayPoint is committed to:
 - 2.1.1 Following all applicable laws and regulations relating to its tax activities.
 - 2.1.2 Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
 - 2.1.3 Ensuring that the tax strategy adopted is consistent with the Group's overall strategy.
 - 2.1.4 Applying diligence and care in our management of tax risks, and ensuring that our tax governance is appropriate.
 - 2.1.5 Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

3 Risk management

- 3.1 Risks arise in all areas of PayPoint's business and tax is no exception. The Board is responsible for ensuring there is an appropriate framework in place for the identification and management of tax risk, which is managed as part of our overall internal control framework.
- 3.2 Tax risks are identified and evaluated within the business with appropriate controls implemented to manage those risks. The controls are regularly monitored and reported on to ensure that the risks continue to be effectively managed.
- 3.3 Where there is uncertainty in relation to any particular tax risk due to the complexity or uncertainty of the legislation we may seek external advice to help ensure that we fully understand the risks and that we meet all our UK tax responsibilities.
- 3.4 Ultimate responsibility for our tax strategy and its implementation rests with the Board and it is reviewed at least annually and updated if required.

- 3.5 The Finance Director is the Board member with executive responsibility for tax.

The underlying philosophy is that PayPoint's tax policy should be prudent and consistent with the overall business strategy. This reflects the strong belief of the Board that we should meet our tax responsibilities and ensures we maintain our reputation as an ethical business. This approach means we will not engage in tax planning that is not within both the letter and the spirit of tax legislation.

- 3.6 Tax risks are assessed on a case by case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual risk should be managed. Where there is uncertainty in how the relevant tax law could be applied, external advice may be sought to support the Group's decision-making process.

- 3.7 When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

3.7.1 The legal and fiduciary duties of directors and employees.

3.7.2 The requirements of any related internal policies or procedures.

3.7.3 The maintenance of the Group's corporate reputation, having particular regard to the way we interact with the communities around us.

3.7.4 The tax benefits and impact on the Group's reported result compared to the potential financial costs involved, including the risk of penalties and interest.

3.7.5 The wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

4 Tax planning

- 4.1 The Group has clearly defined lines of responsibility for its tax affairs, with decisions being taken in line with the Group's tax authority thresholds, ensuring that they are taken at an appropriate level.

- 4.2 The Group's tax planning is driven by the commercial needs of the business, and anticipated future developments. Where alternative routes exist to achieve the same commercial results, the most tax efficient approach in compliance with all relevant laws will be followed.

- 4.3 The commercial needs of the business will in no circumstances override compliance with all applicable laws and regulation. The tax function is therefore involved in decision making and provides appropriate input into business proposals and new products to ensure a clear understanding of the tax consequences of any decisions made.

- 4.4 In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the Group's decision-making process.

5 Approach towards dealings with HMRC

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

5.1.1 Adopt open and collaborative professional relationships at all times with HMRC.

5.1.2 Engage in early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions.

- 5.1.3 Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion. This is supported by maintaining tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK.
- 5.1.4 Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- 5.1.5 Be open and transparent about decision-making, governance and tax planning.
- 5.1.6 Reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- 5.1.7 Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship.