

TAX STRATEGY

JANUARY 2020

This document, approved by the Board of Caledonia Venus Holdings Limited, sets out the Group's approach to conducting its tax affairs for the period ended 12 January 2019, and is making the strategy available in accordance with Schedule 19 of the Finance Act 2016. The Group, headed by Caledonia Venus Holdings Limited operates the Buzz Bingo retail and online business, and is ultimately owned and controlled by Caledonia Investments Plc.

The strategy of the Group is consistent with the objectives and strategy of Caledonia Investments Plc.

The Group manages its tax risks in a manner expected by its shareholders, its customers, and its staff, with particular focus on reputation. The ability to accurately forecast both tax accounting and cash charges is of key importance to the business.

The Group is a significant contributor to the exchequer through the payment of gambling duties, VAT and corporation tax. The Group is also a large employer with close to 3,700 employees and therefore also pays a large amount in employment taxes and National Insurance contributions.

Tax Risk Management and Governance

The Group actively considers and manages tax risks, acknowledging that the Group is a UK based business supported by UK customers and fully pays tax in the UK.

The Board has ultimate responsibility for ensuring that the Group's tax affairs are conducted in accordance with this tax strategy. This responsibility is delegated to the Chief Financial Officer, although material tax matters are discussed and agreed at Board level where appropriate.

The Group has an experienced tax function headed by the Director of Tax and Treasury, who reports directly to the Chief Financial Officer. Routine tax compliance is delegated to the Director of Tax and Treasury, however tax risks and material tax matters are discussed and agreed with the Chief Financial Officer on a regular basis.

There are detailed documented controls and processes in place across all taxes, which is used to support the annual Senior Accounting Officer sign off.

Attitude to Tax Planning

The Group complies with both the letter and the spirit of the law where clearly understood; ensuring that all taxes due are paid on time.

The commercial needs of the business are the priority. All transactions and arrangements have a business purpose.

The tax function is therefore involved in commercial decision making processes and provides input as required. External advice may be sought if necessary to understand the tax consequences of the arrangements where they are complex or there is uncertainty.

Acceptable Tax Risks

We consider ourselves to have a prudent tax risk appetite and low risk tolerance. This ranking is consistent with the risk appetite of Caledonia Investments Plc, which controls the Group.

The Group is committed to the governance principles within Part 3 of the Criminal Finances Act 2017 in relation to corporate offences of failure to prevent the facilitation of tax evasion.

The Group does not operate with prescriptive risk targets or levels, but assesses the tax position of transactions specific to their facts and circumstances. The complexity and materiality will determine the level in the organisation at which decisions are made.

Working with HMRC

The Group is committed to maintaining an open, honest and constructive working relationship with HMRC. The Group is proactive in dealing with HMRC and regularly discusses the Group's tax position in order to keep HMRC involved and up to date. Working with the dedicated HMRC team on a real time basis, who are experts for the industry, greatly assists the objective of minimising tax risks and providing certainty.

The Group also works in a collaborative, transparent and proactive way with tax policy and revenue authorities.