

**Sunseeker International (Holdings) Limited and Group Companies (the UK Group)**  
**Published Tax Strategy**

### **Introduction and strategic aim**

The purpose of this publication is to summarise the tax strategy of the UK Group in accordance with Paragraph 16, schedule 19 of the Finance Act 2016. This strategy is not an operational manual with detailed instructions on the execution of processes. The strategy has been reviewed by the UK Group's Audit and Risk Committee (an operating committee of the UK Group's Board of Directors).

In terms of strategic tax management, the UK Group's overall aim is to achieve the following:

- Ensure compliance across all taxes
- Minimise tax costs under all relevant laws and regulations
- Pay the correct amount of tax at the right time
- Mitigate exposure to any errors that may arise

### **Tax policy key principles**

The UK Group are committed to complying with tax laws in a responsible manner and to establish and maintain open and constructive relationships with tax authorities. The UK Groups detailed tax strategy document sets out the key principles in relation to its tax policy, the prime responsibility for the adherence with the tax policies rests with the Chief Financial Officer ("CFO") who is supported by the Head of Tax (or as designated by the UK Group).

The UK Group has established the following key principles, which help deliver the strategic aim of the tax strategy:

#### *1. Dealings with HMRC*

- To establish and maintain open and constructive professional relationship with all relevant departments of HMRC
- To achieve certainty in areas of uncertainty through real time dialogue with HMRC

#### *2. Internal Systems and Processes*

- To ensure appropriate accounting and control systems are in place to support the preparation of accurate and complete returns
- To document the accounting and control systems in place and regularly review these to ensure they are fit for purpose

#### *3. Compliance and Planning*

- To ensure full compliance with all UK statutory obligations for making returns and payments to HMRC
- To mitigate exposure to penalties by immediately disclosing any identified errors and taking corrective action
- To ensure tax allowances available to the UK group are maximised and all available tax relief is claimed
- To maintain a conservative approach to tax planning whilst recognising that tax is a cost to the business and thus to ensure that this cost is controlled and managed
- To ensure that the tax implications of business transactions are properly addressed so that hidden tax costs are avoided

#### *4. Behaviour and Culture*

- To seek appropriate professional advice from third party advisors when required to reduce uncertainty and risk
- To maintain adequate documentation to support tax decisions made and demonstrate adherence with the above principles

### **Risk management and governance arrangements**

Our business activity exposes the UK Group to a variety of taxes both Direct and Indirect, the principle tax exposures being corporate income, indirect and employment taxes. The UK Groups tax department is part of the central finance function that reports to the CFO. The UK Group engages with leading tax advisors to assist with all areas of tax compliance and planning.

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The UK Group tax policy, documents and details the appropriate tax accounting and control systems which are in place to support the preparation of accurate and complete tax filings. To manage the risks, the Head of Tax has ownership of the controls on a day to day basis, working closely with the relevant stakeholders within the business, ensuring that team members are provided with training as required to facilitate performance of their roles in line with the tax policy processes. The UK Groups tax risk management and governance procedures are periodically reviewed to ensure that processes and measures are up to date and fit for purpose.

Exporting high value goods to various destinations all over the world, requires the UK Group's tax department to review the VAT rate applicable on each sale as this is a key risk within the tax function. Where there is any level of uncertainty with regard to the applicable VAT rate, specialist external advisors are engaged. Where significant tax uncertainty arises the UK Group will enter a real time dialogue with HMRC in order to achieve certainty within the required timescale to fulfil any related compliance and reporting obligations.

### **Attitude towards tax planning**

The UK Group adopts a conservative approach to tax planning and risk and will only be involved in planning opportunities to the extent that it supports genuine commercial activities. Where uncertainty exists external advice will be sought in connection with the specific circumstances, including the opinion of Tax Counsel if necessary. The UK Group does not engage in artificial tax arrangements.

Where tax planning is brought to the attention of the UK Group by external advisors, this will be critically evaluated based on the UK Group's stated tax strategy and will take into consideration both reputational risk and the degree of risk considered to be attached to that planning. Increasingly complex tax legislation and regulations are becoming more time consuming to understand and comply with, as well as presenting greater tax risks. The compliance burden is also affected by changing accounting standards and business changes. The UK Group will seek external advice in relation to transactions where either the tax cost is high or the tax risk is considered high. The Head of Tax will determine when external advice is required based on discussion with the CFO where necessary.

In order for tax planning to be implemented it is expected to fulfil the following criteria as a minimum:

- Is not considered high risk, either with regards to the relationship with HMRC or reputationally;
- Will not lead to non-compliance in any area of tax;
- Is commercially practical for the business;
- Carries a high probability of success weighted against the cost and effort to implement;
- Success is predicted to provide a measurable value or other significant benefit to the UK Group;
- Is supported by appropriate professional advice, including comment on the risk involved.

### **Management of tax risk**

The tax risk management and governance policy does not prescriptively detail the levels of acceptable risk that the UK Group is prepared to accept. However, in practice, where there is any uncertainty or doubt as to the tax treatment of a particular matter, the UK Group would seek advice from external specialised tax consultants, and only proceed having considered the expert recommendation.

The UK Group's policy is to fully comply with all UK statutory obligations for making returns and payments to HMRC, therefore where any errors are found these will be immediately disclosed, the underlying system implications will be considered and corrective action taken as necessary.

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**Working with HMRC**

Sunseeker are committed to the principles of openness and transparency in its approach to dealing with HMRC through a co-operative relationship, all dealings being dealt with in a collaborative and timely manner. Achievement of this requires full, open and early dialogue, to discuss tax planning, strategy, risks and significant transactions.

Where possible, we seek to resolve issues with HMRC in real time and before returns are filed. Where disagreements arise, to work with HMRC in order to resolve any issues by collaborative agreement, as far as this is possible.

The UK Group work closely with HMRC through the Large Business Risk Review process. The UK Group collaboratively discuss matters concerning tax risk development, how those risks are being managed and any key tax events or transactions occurring within the business including the associated tax implications.

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