

VILLAGE HOTELS ¹ TAX STRATEGY YEAR END DECEMBER 2021

In accordance with FA2016 Sch 19, this document sets out the tax strategy for the UK entities within the Village Hotels group.

The majority of Village transactional business is carried out wholly within the UK, with a small amount of non UK purchases and limited financing transactions with its non UK parent companies. As such, the vast majority of its internal focus and resource is applied to ensuring the correct tax treatment of its transactions with its UK customers, suppliers and lenders.

Tax Risks

As a group with volume based and cash/cash equivalent based transactions both income and cost related, the group seeks to minimize its exposure to tax risk – the incorrect interpretation or tax treatment of transactions - through the use of a cross functional team with representations from financial reporting, internal audit and payroll working together.

Management of Tax Risks

The group has put in place an appropriate framework which identifies tax risk, provides a structured approach to processes and controls to mitigate tax risk, and ensures and monitors that the correct tax treatment of transactions is being applied in the wider business. Internal governance processes include a framework for reporting key business risks on a monthly basis to the Executive Management Team, which include tax risks if and where appropriate.

Operational tax risks identified are included and reported on within the routine internal audit programme. Transactional level tax risk is given appropriate focus during the monthly and quarterly preparation of returns for both VAT and employment taxes.

For any uncertainty around the interpretation of tax legislation and HMRC guidance, or tax treatment of its limited non UK transactions, the group looks to its external advisors for assistance and acts accordingly based on the advice given.

Tax Planning

The group's commercial objectives to expand and drive the Village business forward are key. The group seeks to implement its strategy for growth within the most tax efficient structure to achieve its commercial goals by applying both the letter and spirit of all tax legislation.

By application of the correct tax treatment to its commercial transactions, the group seeks to ensure that the right amount of tax is paid at the right time, while making use of tax reliefs that are correctly available to it in order to minimise any cash tax payable.

Working with HMRC

The group strives to ensure that HMRC consider the business to be Low Risk in its management across all taxes by having a proactive, open and honest dialogue on a real time basis where possible.

Signed on behalf of Village Hotels



Paul Roberts - CFO & Senior Accounting Officer

¹ VUR Holdings (UK) Limited and subsidiaries