

# Rainy City Investments Limited Peninsula Business Services Group Limited & all subsidiary companies

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Tax Strategy Document  
Year ending 31<sup>st</sup> March 2021

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# 1. Introduction



The tax strategy document (the 'Tax Strategy') sets out the standards the Board of Rainy City Investments Limited ('the Board') applies in respect of the management of UK taxes and the framework of governance it employs to ensure those standards are embedded throughout the Group.

This Tax Strategy is applicable to Rainy City Investments Limited, the intermediate holding company, Peninsula Business Services Group Limited, and all its subsidiaries (the 'Group'), and all of the Group's employees engaged in the management and administration of tax.

For the purposes of this document 'tax' includes:

- Corporation Tax;
- Diverted Profits Tax;
- Employment Taxes;
- National Insurance Contributions;
- VAT;
- Stamp Taxes;
- Insurance Premium Tax;
- Any other taxes which the group has a statutory obligation to manage.

The tax strategy has been prepared in accordance with the requirements of Section 161 and Schedule 19 of Finance Act 2016.

## 2. Tax Strategy Objectives



The Group has a number of key tax objectives:

- **Compliance** - The primary focus in respect of tax is on compliance with the tax legislation which includes paying all taxes due on a timely basis;
- **Risk** - To ensure that tax is considered in all significant business decisions which allows the Group to understand and manage the risks associated with such decisions and transactions;
- **People** - To have the right people, processes and systems in place to uphold our strategy objectives;
- **Behaviour** - Employees responsible for dealing with tax authorities are expected to behave honestly, openly and in a collaborative way at all times. Such employees will be provided with ongoing training to ensure that they are kept up to date with relevant tax changes;
- **Tax Planning** - The Groups reputation and integrity is of paramount importance, and as such we will not engage in behaviours that may bring the Group into disrepute. We will not participate in tax schemes which seek to exploit perceived loopholes in the tax legislation;
- **Tax Reliefs** - In order to remain competitive within our industry we will ensure that we consider all relevant government tax incentives and reliefs and will take appropriate external advice where appropriate;
- **Transparency** - Where we disagree with HMRC on matters of a technical nature we will be open and transparent in all of our dealings and take appropriate external advice as needed to seek to resolve such matters;
- **Knowledge** - We will maintain relationships with external advisors to ensure that we receive appropriate support on uncertain areas and to ensure that we are aware of upcoming tax changes which may impact the Group;
- **ETR** - We will not seek to manage our statutory accounts effective tax rate (“ETR”) since we recognise that this rate will vary since it is dependent on many factors which will naturally change from year to year.
- **Risk Rating** - We aim to have a low risk rating with HMRC reflecting the Board’s policy emphasis on compliance and good governance;

## 3. Approach to Risk Management and Governance

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The Tax Strategy is approved by the Board and is owned by the Group Finance Director, ensuring that tax is represented in all significant business decisions taken by the Board.

The Group Finance Director is also the Senior Accounting Officer (“SAO”) who is responsible for managing the overall tax relationship with HMRC.

Operational tax responsibility is delegated to members of the individual Finance team within each subsidiary, who report to the Group Finance Team to ensure timely and accurate submission of the Group’s tax returns and associated tax payments. It is the responsibility of the individual members of the Individual Finance teams to comply with the policies and procedures established.

The strategy is considered annually for ongoing relevance and to reflect material changes either in tax legislation or the nature of the business that requires the policy to be updated.

In order to ensure that tax is considered by those persons within the Group who hold senior positions, open and regular communication is expected between the Group Finance Team and those individuals.

In particular, those with responsibility for the following areas are expected to ensure that they, or members of their teams, receive appropriate updates on relevant tax developments and they should seek tax input for all significant commercial transactions:

- Finance;
- Estates - responsibility for all property related matters;
- Payroll and Benefits;
- Legal;
- Insurance; and
- HR.

In addition the Group Finance Director and those with responsibility for Group tax matters ensure regular dialogue is maintained throughout the year and formal meetings are arranged to discuss Group tax compliance status, any material tax issues facing the business and future significant tax developments that may impact the business.

### **Risk Management**

The Group aims to achieve its tax objectives through:

- Ensuring the IT systems that are in place to capture the data, which feeds into the tax returns, are robust and continually monitored and updated where necessary;
- Strong tax compliance procedures to ensure the tax returns which are prepared are accurate and complete;
- Internal review processes, from appropriately qualified individuals, in respect of all tax returns which are submitted to HMRC;
- Ensuring documentation is maintained to provide factual support to all tax returns submitted;
- Recruiting and training appropriately qualified individuals to deal with the various different taxes for which the Group is responsible;
- Involving appropriate tax specialists in significant business decisions; and

- Engaging in dialogue with HMRC as appropriate and being transparent in all such dealings. **PENINSULA**

In addition to internal resource, the Group is committed to maintaining a close relationship with external advisers and engaging with them where there are:

- Complex technical areas which require specialist knowledge and experience which are non-routine;
- New taxes or significant changes to existing tax regimes which are material for the Group.

## 4. Attitude towards tax planning

The Group's reputation and integrity is of paramount importance, as such we will not engage in tax planning that may bring the Group into disrepute.

In particular, we do not participate in tax schemes which seek to exploit perceived loopholes within the tax legislation.

Tax planning is focused around ensuring the Group is fully aware of the implications of carrying out business transactions and taking steps to reduce tax costs in line with the intention of the tax legislation.

In addition, tax planning seeks to maximise the appropriate statutory tax reliefs to reduce the tax costs to the business.

### Use of Advisers

External advisers are engaged to support the Group Finance Team as required for ad hoc advice on all areas of tax matters.

In particular we will normally seek external advice in the following areas:

- Significant M&A activity;
- Large property transactions;
- Understanding the details and implications of new taxation areas which are expected to have a material impact on the business;
- International matters;
- Undertaking material business transactions.

## 5. Level of risk in relation to UK taxation

Since the Group's reputation and integrity is of paramount importance and the Group does not seek to engage in tax planning which is contrary to the spirit of the tax legislation, the Group adopts a low level of risk in relation to UK taxation.

Whilst recognising that tax risk cannot be eliminated, the Group adopts a proactive approach to dealing with tax risk. This is carried out through a continual process of identification, evaluation and reporting of tax risks. This is carried out in the context of the type of taxes borne and collected by the Group and taking into account the quantum of those taxes.

## 6. Approach to dealing with HMRC

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### Overview

We aim to have an open and collaborative working relationship with HMRC, reflecting the Board's emphasis on compliance and good governance.

We will respond to all reasonable requests for information by HMRC in full and on a timely basis. Information will be provided through the Group Finance Director or any member of Finance authorised by the Group Finance Director to do so.

In any interaction with the tax authorities employees are expected to behave courteously, honestly and with integrity.

### Tax Compliance

We are committed to complying with all applicable laws and regulations. In the context of tax, this commitment comprises the following:

- **Payments** - To pay all taxes which we are legally obliged to pay as and when they become payable;
- **Legislation** - To comply with all relevant tax laws and regulations and the spirit of these laws;
- **Returns** - Submit all tax returns on a timely basis, with full disclosure and to engage with HMRC to discuss any major items of uncertainty should these exist;
- **Review** - Ensure all tax returns are reviewed by someone other than the preparer with sufficient technical expertise to carry out that review;
- **Openness** - Promptly report any detected material errors or omissions in tax returns that have been filed;
- **Enquiries** - Respond to tax enquiries in an open, honest and timely manner;
- **Disputes** - If any disputes in the interpretation of tax law arise we will be open with HMRC and ensure that appropriate information is shared with HMRC to seek to reach an agreement. If such agreement is not reached we shall follow the processes laid out within the tax legislation including, if required, due legal process, to clarify the tax law in dispute;
- **People** - Ensure employees with responsibility for tax compliance receive appropriate training and have access to relevant support in order for them to carry out their duties; and
- **Documentation** - Maintain all relevant documentation in relation to the tax returns submitted for the appropriate amount of time required.