

Strategy

Introduction

- This strategy applies to Priestholm TopCo Ltd and all entities in the Sykes Cottages Group (the 'Group') in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to 'Sykes Cottage Group', or 'the group' are to all these entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule.
- Sykes Cottages Group regards this publication as complying with its duty under paragraphs 16(2) of the Schedule in its financial year ending on 30 September 2021. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax.
- The Group is committed to full compliance with all tax laws and practices in the territories in which it operates, which is predominantly within the UK.
- Compliance for the Group means paying the correct amount of tax at the right time and involves disclosing all relevant facts and circumstances to the tax authorities and claiming all legitimate reliefs and allowances where available.
- Responsibility for the Group tax strategy sits with the Finance team which is led by the Chief Financial Officer Michael Graham.
- This tax strategy is applicable to all tax activities and will be reviewed at least annually.

Our tax risks

- Given the nature of our business with high organic growth and growth through acquisition, risks will inevitably arise from time to time in relation to the interpretation of tax law and the nature of our compliance arrangements.
- As a group with volume-based transactions both income and cost related, the group seeks to minimise 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 and payroll working together with our external advisors.
- We will seek to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's risk appetite. When there is significant uncertainty or complexity in relation to a risk, external advice will be sought. Areas of significant or complex tax risk will be passed to the Board for approval and ongoing review. The level of risk the group accepts in relation to UK taxation is consistent with its objective to achieve certainty in its tax affairs.

How we manage our 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 every 6 months, to the Executive Management Team, which include tax risks if and where appropriate.
- Operational tax risks identified are included and reported on and reviewed.
- Transactional level tax risk is given appropriate focus during the monthly and quarterly preparation of returns for both sales and employment taxes.
- Configuration of key systems and training of all relevant employees manages risk within the day-to-day transactional processing.
- The Finance team ensures timely submissions of all returns to HMRC and all tax payments are paid within the deadlines.
- For any uncertainty around the interpretation of tax legislation and HMRC guidance, or tax treatment of non-UK transactions, the group looks to its external advisors for assistance and acts accordingly based on the advice given.

Our attitude to tax planning

- We regularly utilise our external tax advisors to assist with ongoing tax compliance in relation to the Group's core activities and also where one-off transactions raise issues of a complex nature.
- We will seek advice from our external tax advisors to ensure we apply available tax incentives and exemptions which could benefit the Group in line with and in the spirit of all tax legislation.
- By applying the correct tax treatment to our 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.

How we work with HMRC

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

- Make accurate and timely disclosure in correspondence and returns
- Respond to any queries or information requests in a timely manner.
- Seek to resolve issues with HMRC timely and where disagreements do arise, we will work with HMRC to resolve these by agreement where possible.
- With the assistance from our tax advisers, we will interpret the relevant laws in a reasonable way and ensure transactions are structured consistently and based on current practice.

Sign on behalf of Sykes Cottages



Michael Graham – CFO and Senior Accounting Officer

List of entities covered by this Tax Strategy

- Priestholm TopCo Ltd (UK Establishment, Incorporated in Jersey)
- Priestholm MidCo Ltd
- Priestholm MidCo II Ltd
- Priestholm BidCo Ltd
- Sykes Cottages Holding Limited
- Go-Sykes Limited
- Sykes Cottages Ltd
- Potter TopCo Limited
- Helpful Holidays Limited
- Cottage Holidays (Carlisle) Ltd
- Cornish Cottage Holidays Limited
- Printcater Limited
- Manor Cottages UK Company Limited
- Manor Cottage Property Services Limited
- Cornwall Holiday Cottages Limited
- Dream Cottages Limited
- Hideaways Holiday Cottages Limited
- Menai Holiday Cottages Ltd
- Coast & Country Holidays Ltd
- Rock Estates (Cornwall) Limited
- Heart of the Lakes Ltd
- Traditional Lakeland Cottages Ltd
- Lake District Lodge Holiday Limited
- Character Cottage Holidays Limited
- Fisherbeck Management Ltd
- Maid in the Cotswolds
- Self Catering Travel Ltd
- West Country Cottages Ltd
- Helpful Holidays (Holdings) Limited
- Complete Cottage Holidays Limited
- Devonshire Cottage Holidays Limited
- Holiday Cottages Housekeeping Ltd
- Holiday Cottage Experts Ltd
- Dorset Cottage Holidays Limited
- Sykes Cottages EBT Limited
- Coast & Country Cottages (South West) Ltd
- Coast & Country Cottages (Holdings) Ltd

- Manor Cottages Laundry Services Limited
- DCL NewCo Limited
- Manor Cottages Property Services (South) Limited
- La Manga Direct Limited
- Best of Suffolk Limited
- Abersoch Quality Homes Limited
- NZ Bachcare HoldCo Limited (Incorporated in New Zealand)
- Bachcare Limited (Incorporated in New Zealand)