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SHOP DIRECT HOLDINGS LIMITED

SUB-GROUP TAX STRATEGY – FINANCIAL YEAR ENDING 30 JUNE 2020

Shop Direct Holdings Limited is the head of a UK sub-group (“the Group”) as defined in paragraph 11(2) of Schedule 19 to the Finance Act 2016. This strategy is published on behalf of the Group in compliance with the duty under paragraph 19 of the Schedule and in accordance with paragraph 20 thereof.

Risk management and governance

The primary objective of the Group’s approach on tax policy is to maintain a low-risk tax profile both in the UK and in other tax jurisdictions.

In relation to UK taxation, this is achieved by regular reviews and updating of established internal procedures to ensure that they remain effective in meeting this objective. The responsibility for this lies with an internal tax team of appropriately qualified and experienced individuals who keep the Board informed of progress and issues on a quarterly basis or more frequently when circumstances dictate.

Tax meetings and Senior Accounting Officer meetings involving key individuals from outside the tax team are held periodically to manage this process. Matters discussed at these meetings include new tax legislation and identified tax risks on which appropriate action is agreed and subsequent progress monitored.

External advisers are used where assistance is deemed necessary, for example, to interpret new rules, to assist compliance therewith or to manage complex matters.

Attitude towards tax planning

The Group expects to apply the correct tax rules and regulations to all its commercial transactions and does not undertake transactions which are solely tax-driven with no commercial purpose.

Level of risk in relation to UK taxation

The Group aims to pay taxes that are properly due and to do so in a timely manner. To this end, it keeps abreast of legislative changes to ensure compliance therewith and ensures that the data used in its tax returns are accurate and that calculations applied produce the right amount of tax. Uncertainties are referred to HMRC in advance of proposed transactions or compilation of tax returns.

Approach towards dealings with HMRC

The Group aims to maintain a constructive working relationship with HMRC in a climate of increased mutual openness and transparency. The Group believes that regular contact with HMRC to advise of any significant changes or developments in the Group’s businesses or structures and to liaise on technical issues is essential to continued engagement.

It has been and remains the Group’s policy to notify HMRC without delay of any of errors that have come to light whether they be in returns rendered or have occurred within processes.