

The Clermont Hotel Group Tax Strategy

Year ended 30 June 2023

About us

Founded in 2003, Clermont Hotel Group (“CHG”), previously GLH, is London’s largest hotel owner-operator with over 5,000 rooms and 120 event spaces across three distinct brands and 17 outstanding locations.

The leisure and hospitality industry was one of the areas most affected by Covid-19 over the last few years, with an unprecedented impact on businesses and significant increases in the challenges faced. However CHG continues to exceed expectations with its recovery. Our approach to the Group Tax Strategy throughout the pandemic and beyond has been to stand by the same principles and attitude as we have always done.

We have always, where possible, contributed to both the wider UK economy and the local communities in which we operate through:

- Paying any taxes due - including revenue and profits taxes, employment taxes and property taxes,
- Our local community engagement initiatives,
- Working to reduce our environmental impact,
- Investing in our UK infrastructure,
- Supporting our charity partners through fundraising, and
- Creating a positive and considerate workplace for c.1,650 employees.

CHG has a robust and comprehensive approach to managing risk which is underpinned by our Code of Conduct and Ethics (contained within the Employee Handbook) and strives to develop and encourage a culture of responsibility and high ethical standards within all aspects of our business.

Our values, which reflect the way in which we run our business, are as follows:

We are BOLD... We are bold in our decisions, our actions and our aspirations. We don't shy away from challenges; we tackle them head on and do what's right, whether that's for our guests, our communities, the environment or each other.

We are ADAPTABLE... Adaptability is in our nature; we embrace change and plan for the expected and the unexpected.

We are REAL... We're all uniquely wonderful. We'll always help to bring out the best of your talents and bring your whole self to work.

These values are integral to the success of our hotels and regularly referred to in the business. These values reflect our approach across all areas of the business, tax included.

Our UK tax strategy

This document sets out the strategic tax objectives of Clermont Hotel Holdings Limited and its subsidiaries, GLH IP Holdings Limited and Clermont Hotel Management Limited (collectively described as “CHG”). This tax strategy has been approved by the Board and satisfies Schedule 19, Part 2 of the UK Finance Act 2016, in respect of the financial year ending 30 June 2023.

CHG’s corporate objectives are to maximise shareholder value whilst also making sure we value and respect the wider community in which we operate. CHG achieves this by taking all aspects of corporate responsibility seriously and ensuring we act with honesty and integrity, including in dealing with the tax affairs of the group.

The CHG tax strategy is in line with our overall corporate ethos and commitments of acting responsibly and maintaining high ethical standards whilst operating a profitable business for the benefit of our shareholders, employees, and other stakeholders.

Our risk management and governance

CHG aims to comply with tax filing, payment and reporting obligations and to retain a low risk rating with HMRC through maintaining appropriate systems, processes and controls and ensuring there are appropriately qualified and trained staff within the finance team.

- Accountability for the UK tax strategy rests with the Board along with the overall stewardship of our UK risk management systems and internal control environment.
- Responsibility for the implementation of CHG’s tax strategy and day to day affairs is delegated to the Tax Manager and Group Financial Controller (supported by a team of external professional advisors).
- The Tax Manager, the Group Financial Controller and CFO ensure the Executive team are kept up to date with legislative changes.
- The Tax Manager, Group Financial Controller and CFO report to the parent company Group Executive Director/CFO and Group Tax Manager quarterly regarding key tax matters.
- Any significant decisions relating to tax are discussed with appropriate external advisors and approved by the CFO/CEO and the Board as appropriate before any decisions are made, or action is taken.
- Processes are regularly tested and reviewed throughout the year as part of the Senior Accounting Officer work.
- CHG has a zero-tolerance policy for the facilitation of tax evasion by its representatives.

Our attitude to tax planning

- CHG does not enter into any aggressive tax planning or avoidance transactions which give rise to a tax advantage not intended by or expected from the relevant legislation.
- Any tax planning undertaken at CHG is responsive to the commercial needs of the business only, aligned with the wider business strategy and is based on a reasonable consideration of the law in place at that time with due consideration for reputational risk as well as operational and financial risk.
- CHG ensures that we operate a tax efficient business on a day-to-day basis by keeping up to date with the relevant legislation and making sure we don't unintentionally expose ourselves to higher taxes than those intended or required by legislation.
- CHG considers the availability of any relevant tax reliefs, incentives and exemptions made available by the law and they are utilised in the manner which would be reasonably expected when considering the nature of the relevant legislation.
- Where there is any ambiguity or uncertainty, guidance is sought from professional advisors or real time discussions with HMRC take place to confirm the position.

Maintaining our relationship with HMRC

As a large business in the UK, CHG has been assigned a Customer Compliance Manager (CCM) within HMRC. We seek to maintain an open and honest relationship with our nominated CCM and communicate through annual meetings and, where appropriate, engage on a real time basis concerning material matters of uncertainty or on any significant business transactions or changes.

As a Group we aim to ensure we adhere to all relevant compliance obligations in a timely manner and in a spirit of co-operative compliance.

This document has been approved by the Clermont Hotel Holdings Limited and GLH IP Holdings Limited Executive team as at 21 June 2023.