



Dorchester Group Limited

Tax Strategy & Tax Risk Management Policy For The Year Ending 31 December 2023

Introduction

The purpose of this document is to communicate the Group's tax management policy and to ensure that consistent and compliant tax practices are applied to all tax matters and tax risks. This document will be reviewed, and if necessary updated, on an annual basis and approved annually by the Board of Directors to ensure that it remains relevant and up to date, accurately reflecting Group practices.

About DGL

Dorchester Group Limited, along with our subsidiaries, own and operate a portfolio of hospitality assets in Europe and the United States, as well as investment properties in the United States.

As a group we recognise the impact we make on society, the planet and the economy, and we are fully committed to making a positive difference wherever we operate. By acting in accordance with our mission and values, we seek to actively demonstrate good corporate responsibility and ethical business practices.

Strategy and scope

Tax is defined as being financial charges applied by a tax authority. This includes corporate tax, VAT, payroll tax and import duty.

Our commitment to compliance

We take our statutory and regulatory obligations seriously and seek to be fully compliant in all of the territories in which we operate. We also take our tax responsibilities seriously, and seek to pay what we calculate to be the right amount of tax in all of the territories in which we do business.

Tax planning

In accordance with our commitment to compliance, we pay what we calculate to be the right amount of tax, based on our business activities, corporate structure, and our responsibilities to our stakeholders. We seek to access applicable incentives and reliefs that are available to us in the territories in operate, but do not engage in artificial or contrived business arrangements to gain a tax advantage.

Tax risk governance

Given the global nature of our hotel network, tax risks will inevitably arise from time to time. In line with our risk management approach, we seek to identify, manage and monitor these risks to ensure they remain in line with the group's risk appetite. We consider our risk appetite in this regard to be low. Our UK Board has overall responsibility for UK tax, whilst our Group finance team implement and manage our tax governance arrangements and the associated risks on a day to day basis.

Tax risk management

Effective risk management is a core feature of our system of governance. The Group aims to identify risk, assess their materiality and to ensure that the level of risk is aligned to the strategic objectives of the Board Of Directors and the Group's appetite for risk.

The Group Finance team employs various risk management processes and procedures to provide assurance that the principles embedded in the Group tax Strategy are met. This includes compliance monitoring, internal review, and consultation with our specialist external tax advisors.

Level of UK tax risk the business is prepared to accept

Tax, like any other cost, is considered as part of key business transactions and strategies, with efforts made to ensure our risk exposure is minimised. Where there is significant uncertainty or complexity in relation to a tax risk, we obtain advice from appropriately qualified external advisors on specialist UK and non-UK tax matters. This supplements the skills of the Group finance team in appropriate cases, and, when combined with our robust approach to tax governance, means that risks are understood and managed effectively.

Tax risk control process

The Groups tax returns and processes are subject to various reviews to ensure that there is no material omission or misstatement. In cases where the Group has concluded that it lacks the necessary in-house expertise, as with corporate tax returns, the tax documentation is prepared by appropriately qualified external advisors, whose work is reviewed by the local finance team or the Head Of Group Finance, as appropriate. A register of material risks is maintained and reviewed by the Head Of Group Finance on at least an annual basis.

Tax risk monitoring and reporting

The Group is subject to both independent annual audit and episodic internal audit. Tax accounting is audited in accordance with this process. Any findings are highlighted to the Board Of Directors and a plan agreed to act upon any recommendations, within a timeframe that is consistent with the Group's risk management objectives. The Head Of Group Finance is responsible for pro-actively managing the Group's tax risks and for reporting on material issues to the Board Of Directors on at least an annual basis.

Tax authority relationships

We work closely with tax authorities, including HMRC, with honesty, integrity, respect and fairness, all in the spirit of co-operation. We aim to make fair, accurate and timely disclosure in relation to both tax returns and any correspondence with HMRC. We seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

This tax strategy and tax risk management policy is published by Dorchester Group Limited and its subsidiaries ('Dorchester Group').

Our tax strategy is compliant with the requirements of para 19(2) of Schedule 19, Finance Act 2016 and relates to our 31 December 2023 year end.

This statement has been approved by The Board of Dorchester Group Ltd on 8 November 2022.