

## **Background**

This document sets out the Tax Strategy of Victorian Plumbing Group plc and its subsidiary undertakings (hereinafter, collectively referred to as 'the Group' or "Victorian Plumbing") as required by Part 2 Schedule 19 of the Finance Act 2016. This policy was approved by the Board of Directors on 7 October 2021.

Victorian Plumbing is the UK's leading online retailer of bathroom products and accessories, offering a wide range of over 24,000 products to B2C and trade customers. Victorian Plumbing offers its customers a one-stop shop solution for the entire bathroom with more than 125 own and third-party brands across a wide spectrum of price points.

The Group's product design and supply chain strengths are complemented by its creative and brand-focused marketing strategy, which predominantly focus on online channels to drive significant and growing traffic to its website.

This Tax Strategy will be reviewed periodically and any material amendments will be approved by the Board of Victorian Plumbing Group plc. This Tax Strategy applies to all forms of taxes payable by the Group as set out in para 15(1) Sch 19 FA 16, including direct taxes, indirect taxes, payroll based taxes, customs duties etc. This document sets out the Group's tax risk management policy, which covers both the internal governance of tax matters and the approach to tax.

VIPSO Ltd regards this publication as being compliant with para 16(2) and para 25(1), Sch 19 FA16.

## **Victorian Plumbing's approach to tax**

The Group's approach to tax is based on trust and transparency where we are committed to complying with all relevant laws and regulations. We seek to act with integrity in all matters, including compliance with our tax obligations. Our approach to tax is focused on achieving the following objectives:

- Adherence with relevant tax legislation, rules, regulations and reporting requirements where we operate;
- Implementation of appropriate tax governance and controls to enable the management of ongoing risks and opportunities;
- Applying professional due diligence and care in the management of all risks associated with tax matters, which includes seeking independent professional advice where appropriate;
- Paying the right amount of tax in accordance with the applicable legislation, and performing our duties as a collector of tax on behalf of tax authorities where we operate;
- Seeking an honest and open relationship with tax authorities, based on the concepts of integrity, collaboration, trust and transparency.

## **Our approach to tax risk**

At Victorian Plumbing, we believe we have a corporate and social responsibility to pay the right amount of taxes in accordance with all local legislation in the regions which we operate. We are committed to ensuring we are compliant with legislation, and being transparent in our tax returns which are submitted to tax authorities. Further, we are committed to timely submission of returns and making timely payments in relation to all taxes and claiming reliefs and incentives where available.

Responsibility for the management of tax, and the implementation of the Group's tax strategy has been delegated by the Board of Directors to the Chief Financial Officer. Day-to-day responsibility for ensuring compliance with our tax obligations and implementing an appropriate tax control framework is delegated to the Director of Finance, who reports annually to the Audit Committee to confirm that the Tax Strategy has been complied with.

The Director of Finance is responsible for the overall management of Group tax requirements, ensuring tax deadlines are met, maintaining the day-to-day relationship with HMRC and providing relevant training and support to the business. The Group outsources its compliance with some tax legislation to qualified external advisors and has systems and controls in place to ensure all relevant information is provided to our advisors and our returns are reviewed in-house before they are submitted to HMRC. Where compliance is managed in house, there are appropriate review processes and segregation of duties in place to mitigate the risk of errors occurring.

Other advice from external advisors is obtained where the appropriate skills and expertise are not available in-house. The Director of Finance also works closely with Group finance team to review the key internal controls in respect of tax:

## **Tax planning and risk management**

Tax risk arises from the Group entering into non-routine transactions that have an uncertain tax outcome. As part of our commitment to tax compliance, we aim for certainty on our tax position. As part of our management of tax, we apply consideration to all applicable laws, rules, regulations and disclosure requirements, applying diligent professional care and judgement to arrive at well-reasoned conclusions. Where the tax law or published HMRC guidance is unclear, or there is a significant degree of uncertainty as to its interpretation, we engage with professional advisors to clarify the correct treatment and, where necessary, engage with tax authorities to gain certainty over the correct tax position.

The Group considers the tax consequences of its transactions as a factor in its planning processes, and will not engage in any arrangements that are contrived or artificial.

The tax function partners with the business to provide clear, timely, relevant and focused advice across all aspects of tax, to identify transactions which present tax risk or uncertain approaches. The commercial objectives of the business will not override compliance with all applicable laws.

The tax function will ensure that the business understands that tax should be involved throughout the business to ensure the effective delivery of the Tax Strategy. This will be achieved through regular interaction and communication between the finance function and the broader management team. In addition, robust tax controls are in place to manage tax risks.

## **Relationship with HMRC**

Victorian Plumbing is committed to maintaining an open, transparent and professional relationship with tax authorities, which is based on mutual trust and collaborative working. We seek to achieve this through:

- Engaging with tax authorities on a real time basis, in particular where there is uncertainty, to minimise tax risk;
- Responding to questions in a timely manner;
- Reviewing and maintaining robust internal tax controls;
- Agreeing positions on significant tax matters or unusual transactions, where relevant, in advance of returns being filed;
- Handling tax authority enquiries and audits based on our approach of openness and honesty, acting in a courteous and professional manner.