

## GROUP TAX STRATEGY

### INTRODUCTION

Westcoast Group Holdings Limited and subsidiaries (together referred herein as the "Group" or "Westcoast Group") is engaged in the provision of IT equipment and related services.

Westcoast Group reflects on the success of its people over the past 40 years. Since its inception in 1983, the Group has grown from humble beginnings to become the UK's largest private-held distributor of technology products and services from leading IT brands such as HP, HPE, Microsoft, Juniper, Lenovo, Apple, Samsung, and many others to a broad range of resellers, retailers, e-tailers, web-shops, cloud service providers, MSP's, cyber security specialists, system integrators, contract printers and datacentres predominantly in the UK, Republic of Ireland and mainland Europe. The Group's primary business consists of sales, distribution, business process outsourcing, inventory and supply chain management, where distribution is a pivotal part of the channel. Over the years, the Group's services offerings have expanded and adapted as the needs and demands of our customers and suppliers continue to change and evolve. The Group has increased our services beyond traditional IT distribution to include fulfilment, cloud enablement, configuration, enhanced logistics, merchandising and marketing of a huge range of products.

The Group pays a variety of taxes including corporation tax, customs duties, excise taxes, employment and other business taxes. The Group also collects and pay employee taxes and indirect taxes, for example, Value Added Tax (VAT).

### SCOPE

The Group's tax strategy primarily deals with the UK companies within the Westcoast Group Holdings Limited; however, the principles of fairness and legality will apply to all Group companies. By making this strategy available, the Group is fulfilling its responsibilities under the Finance Act 2016.

Our tax strategy is to maintain the good standard of tax compliance. The Group is committed to full tax compliance with its tax obligations and support the execution of the Westcoast Group Holdings Limited business vision of being open-minded to all opportunities by managing our tax affairs in compliance with all local law and international guidelines.

### OVERVIEW OF INTERNAL GOVERNANCE

The Group tax strategy is designed to be consistent with and support the business strategy and corporate ethics, values, and governance.

Tax is the ultimate responsibility of the Westcoast Group Chief Financial Officer (CFO) who sits on the Board and holds the position of the Senior Accounting Officer. Day to day tax matters is delegated to the Westcoast Limited's Finance Director, in close coordination with the Group Finance Director, and a team of in-house professionals who hold a combination of qualifications and experience appropriate to their roles.

The Westcoast Group CFO and Westcoast Limited's Finance Director hold regular meetings with external tax professionals to ensure the Group continues to comply with good practice. The Westcoast Group CFO reports to the Board on a quarterly basis any topics that may affect tax matters.

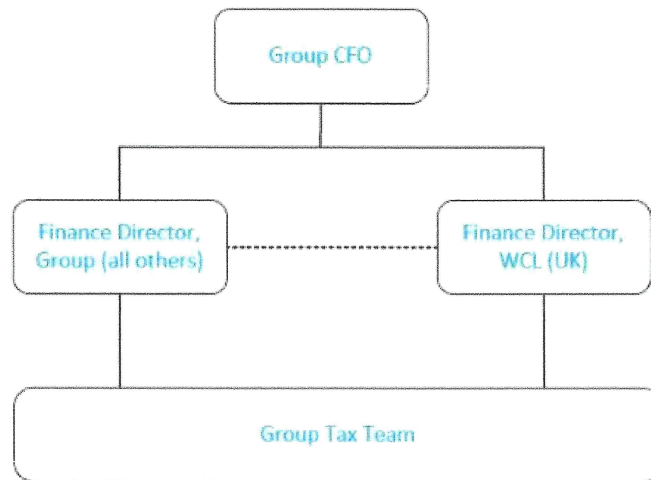


Figure 1

The Group continues to enhance the Internal Audit Team and the Group Tax Team, as the business expands geographically. Both these functions review and audit the compliance against the appropriate tax legislation. Additionally, the Legal Team, being on top of the Company's regulatory compliance requirements, holds a consultative role on matters relating to taxes.

## APPROACH TO RISK MANAGEMENT

The management of the Group's tax affairs is a complex process across all areas of the business and as such there will inevitably be risk of errors or omission within those processes. These complexities may result in the incorrect application of tax rules or the calculation of tax returns. Eliminating these risks is impossible, so controls and processes are in place to minimise the risks down to an acceptable level.

The risk register, which itemises all the identified risks including any tax risks (such as risk of non-compliance due to error or negligence), is reviewed quarterly by the Board. Both likelihood (of occurrence) and impact of each risk are assessed, updated, and checked whether new controls are needed to be put in place. Existing measures to mitigate the tax risks include proper segregation of duties, monthly Compliance Meeting, and engagement of third-party tax experts for knowledge transfer and assistance in the completion (filing) of regulatory requirements.

## ATTITUDE TO TAX PLANNING

The Group primarily trades in the UK, but also in a number of European countries and has the responsibility to pay taxes as required by legislation in the UK and each country in which it operates.

The Group engages only in reasonable tax planning that is aligned with commercial and economic activity. Tax is paid in the jurisdiction that commercial activities take place. Accordingly, the Group takes a proactive position in keeping themselves updated with the latest regulations concerning changes in tax regimes to ensure this is taken into consideration when tax planning and to ensure compliance.

The Group CFO is involved in the group decision making process and ensures that there is a clear understanding of the tax consequences of any decisions made.

The Group is not structured to generate profits in favourable tax jurisdictions unless there are genuine commercial reasons for being in those tax jurisdictions. The Group does not enter into transactions that have a main purpose of gaining a tax advantage or make interpretations of tax law that are opposed to its original spirit. The Group does not seek to exploit any ambiguity in tax rules or seek to exploit tax regimes considered to be harmful or secretive.

The Group is likely to take the most tax efficient route that delivers the commercial aims, subject to due consideration of the Group's reputation and the relationship with tax authorities. Tax will be a result of the business vision of being open-minded and will not drive business operations.

The Group only acquires businesses for strategic purposes and not to take advantages of tax opportunities such as tax losses. Companies intended to be acquired will only be in the tax jurisdiction where there will be genuine commercial activity and not because of the tax regime in that jurisdiction.

The Group has a centralised Treasury function in the UK that caters to UK, Ireland and France entities and Treasury functions in the other tax jurisdictions where the business operates. The Group does not have a target effective tax rate.

## RELATIONSHIP WITH TAX AUTHORITIES

An important part of the Westcoast Group Holdings Limited's tax strategy is to maintain and develop its strong, proactive relationship with our Customer Relationship Manager at His Majesty's Revenue and Customs (HMRC). The Group values its low-risk status and actively contributes to the HMRC's business risk review process maintaining a full and open dialogue with HMRC and updates them on business activities, results and key developments as they arise or an annual meeting. The annual meeting is attended by the Westcoast Group CFO.

The Group will always seek the views of HMRC on any uncertain tax positions and be open and transparent regarding the Group's decision-making process, governance and tax planning.

Any issues and disagreements with HMRC are aimed to be resolved in advance of returns being filed or by working collaboratively with HMRC to obtain resolution by agreement in a timely manner.

## CODE OF CONDUCT

Our tax strategy is aligned with our code of conduct, incorporated within our Group values, policies, and employee's handbook, which all employees are required to follow. This code of conduct confirms our core values and policies in a number of areas: how the Group deals with our employees, suppliers, customers, competitors, and the wider communities in which the Group works. It sets out the Group's principles of business conduct and the standards that the Board expects all officers, employees and representatives to follow, regardless of location or role.

## TAX STRATEGY APPROVAL PROCESS

This document is the formalisation of our current practices, which is approved by the Board of Directors of the Westcoast Group Holdings Limited on 22<sup>nd</sup> January 2024. It sets out the Group's approach to conducting its tax affairs and dealing with tax risks for the year ended 31 December 2023. It will be reviewed, updated and brought to the Board annually.



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Sunil Madhani  
Director and Group CFO

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