

Tax Strategy – Seabank Power Limited

Seabank Power Limited (SPL) is committed to managing the Company's tax affairs in a responsible manner, paying the right amount of tax at the right time in compliance with UK tax rules.

The Company is committed to comply with all applicable tax laws and regulations in the UK.

Scope

This Tax Strategy covers the period ending 31 December 2023 and applies to Seabank Power Limited. It is published in compliance with the requirements of Paragraph 16(2) of Schedule 19 of Finance Act 2016 for large businesses to publish their tax strategy.

Approach to tax risk management and level of risk

SPL's approach to tax is overseen by the SPL Board and is governed by the following key principles:

- The Company will manage its tax affairs responsibly, recognising the interests of all of the Company's stakeholders. Tax compliance obligations will be properly discharged, and all tax positions taken will be justifiable and based on local law and practice.
- Ensure that the Company's tax affairs are conducted in accordance with sound business practices and the Company's commitment to corporate responsibility.
- The Company will not undertake aggressive tax planning or any tax planning that is not aligned with the economic and commercial activities of the business.
- The Company will maintain an open, transparent, and collaborative relationship with HMRC consistent with maintaining a good working relationship.
- The Company's Board objective is to keep tax risk as low as possible and for the Company to be viewed by HMRC as "low risk" in relation to tax behaviours. To this end, the tax function is staffed by suitably qualified and experienced people and tax advisers are engaged to provide, where necessary, additional resources and specific expertise.
- The Company will take advantage of available tax incentives, reliefs and exemptions offered by the Government to encourage investment.
- Tax evasion or the facilitation thereof by employees or other associated persons (e.g., agents or other persons who perform services for or on behalf of the Company) will not be tolerated.
- The tax function will be informed and consulted in advance on tax and business matters where appropriate, including the tax consequences of material commercial transactions and decisions made in respect of such transactions.
- Related party transactions will be properly managed and documented to ensure they are following local tax law and practice.

Tax Governance

Responsibility for tax governance sits with the Business Manager, who is designated Senior Accounting Officer, with oversight from the Board and day-to-day support from SPL's Finance team.

In accordance with Company risk management procedures, tax risks are recorded and monitored throughout the year. The Company ensures that robust processes and procedures are in place to minimise tax risks and compliance errors and are periodically reviewed to ensure that they are updated to reflect changes in applicable law and practice. If a material uncertainty is identified, external advice may be sought to ensure that the interpretation of the relevant UK tax rules is appropriate. The Company may also seek to resolve an uncertain tax position directly with HMRC before a tax return is filed, in accordance with HMRC's framework for co-operative compliance.

Any significant tax risk is reported to the Board, and overseen by the Business Manager, who also receives tax status updates as part of the interim and year-end financial reporting programmes.

Relationship with HMRC

The Company is committed to engage with HMRC with honesty and transparency, in an open and collaborative way.

In maintaining a good working relationship with HMRC, the Company seeks to ensure that HMRC is kept up to date with business developments, including any commercial transactions with potentially significant tax implications.

Where queries or misunderstandings arise, these are managed on the basis of full disclosure and the Company will work with HMRC to bring any items to resolution.

Tax Transparency

SPL is supportive of measures aimed at enhancing tax transparency and is committed to providing regular information on tax affairs in its financial statements in a clear and straightforward way that enhances the Company's stakeholders understanding and provides confidence that SPL is paying its fair share of tax.

Non-UK operations

All of the Company's revenues and profits are currently generated in the UK and are subject to UK tax.