

Coastline Tax Strategy

1.0 Scope and aim

- 1.1 This strategy sets out Coastline's strategic and operational approach to tax risk management.
- 1.2 The strategy complements our corporate aims, promoting and embedding the highest standards of accountability, integrity and probity, and to set the appropriate policies and internal controls to support decision making.
- 1.3 This strategy is relevant for the entire Coastline Group. Due to the changing, complex and specific nature of taxation, this strategy will be revisited on an annual basis.

2.0 Objectives

- 2.1 Coastline is a responsible corporate taxpayer in line with HM Revenue and Customs Legislation and guidelines, based on professionally executed tax compliance and legitimate tax planning. Through the Board, we plan and structure our activities in a tax efficient manner.
- 2.2 For the avoidance of doubt the taxes covered in this strategy are VAT, Stamp Duty/SDLT, Corporation Tax, Annual Tax on Enveloped Dwellings, Construction Industry Tax and Employment Tax.
- 2.3 In this strategy, the definition of tax risk can cover any financial liability, known or unknown, agreed or in dispute, and either historical or future.
- 2.4 The ultimate decision making responsibility for Coastline's tax position remains with the Board, and the day to day management of the Group's tax position is that of the Director of Finance & ICT. Further review is provided by the Head of Finance as well as external advisors when it is deemed necessary.

3.0 Tax risk and governance

- 3.1 Coastline is committed to the pursuit of effective corporate governance throughout its business and services, establishing the principles and practice by which this can be achieved. Tax management activities will be undertaken with openness, transparency, honesty, integrity and accountability.

3.2 The identification, management and control of transaction, operational, compliance, management and reputational risk will be reviewed on an annual basis to ensure the adequacy and suitability thereof. The Head of Finance is responsible for ensuring policies and procedures are in place, maintained and adopted throughout the business.

3.3 Transaction risks

3.3.1 Specific transactions undertaken by Coastline, particularly land acquisitions, can be complex areas which give rise to greater risks. Coastline will ensure that the risks are properly assessed, are appropriate and will be signed off by the Head of Finance.

3.3.2 Third party advice will be sought for transactions that are highly complex or may result in high tax losses for Coastline.

3.4 Operational risks

3.4.1 Coastline will manage the risks by applying tax law, legislation and decisions to routine everyday business operations.

3.5 Compliance risks

3.5.1 Risks associated with meeting tax compliance obligations will be eliminated by ensuring the processes are based on up to date knowledge and proper and efficient use of technology.

3.6 Management risks

3.6.1 Coastline will ensure that those charged with managing tax risks have the skills and ability to do so.

3.7 Reputational risks

3.7.1 Consideration will always be given prior to any tax planning commencing that may expose Coastline to reputational damage should it become public knowledge.

3.7.2 Coastline will manage each of the above by engaging in early communications with stakeholders, automating systems, undertaking training, attending technical updates and liaising with external advisors.

4.0 Tax planning

- 4.1 Within the group there are both charitable and non-charitable entities as well as a Registered Provider of Housing. It is in the best interests of the Group to pursue activities that contribute, either directly or indirectly, towards the primary purpose charitable objectives of Coastline Housing.
- 4.2 Activities undertaken within Coastline Housing that contribute to its charitable purpose (or an investment – either capital or revenue) are afforded full exemption from Corporation Tax.
- 4.3 Activities that are non-charitable are taxable, these activities should be undertaken in non-charitable subsidiaries of Coastline Housing.
- 4.4 Coastline will engage in efficient tax planning that supports the business. We will not engage in artificial tax arrangements nor will we be party to the artificial tax arrangements of a customer, supplier, or other third party.
- 4.5 The most significant element of the current Coastline strategy is to gift aid taxable surpluses so as to maximise resources available in pursuit of our charitable objectives.

Approved by Coastline Common Board 09 February 2023