

Thame & London Limited and its subsidiaries (“Travelodge”)
Tax Strategy for the year ended 31 December 2018
(Published in accordance with Schedule 19 Finance act 2016)

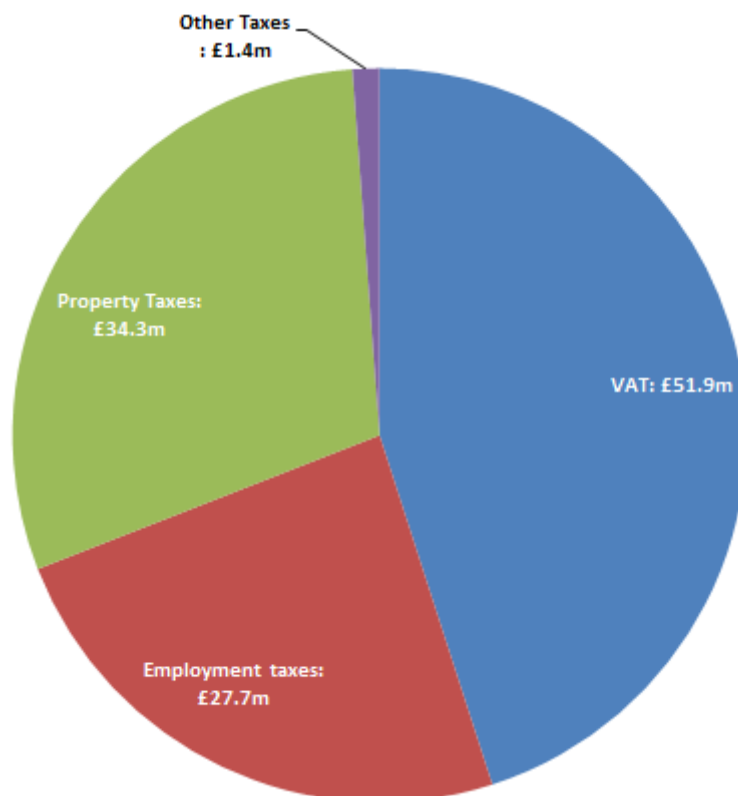
Approach to tax planning

The overwhelming majority of Travelodge’s business activity is in the UK where the group operates more than 550 hotels and employs more than 11, 000 people. As a UK-focused business with a very limited overseas presence, Travelodge’s tax profile is not complex.

The Travelodge group aims to comply with all applicable laws and regulations in the jurisdictions where it operates.

The Travelodge business is responsible for generating a significant contribution to the UK public purse. In respect of 2017, over £115m of cash payments were made/collected by Travelodge - the most significant contributions being property-related taxes, VAT and employment taxes (PAYE and NIC).

No corporation tax was cash paid on operating profit arising during 2017, due mainly to the tax deduction available for Travelodge’s interest costs, the statutory tax relief available for capital expenditure incurred in the investment to modernise the hotel portfolio, and the utilisation of tax losses from prior accounting periods.



Travelodge does not engage in any contrived or artificial tax arrangements lacking economic or commercial substance.

Approach to risk management and governance

Travelodge has an experienced in-house finance team who manage the group's tax matters. Travelodge values certainty with respect to its tax position and seeks advice from professional tax advisers or HMRC in relation to non-routine matters.

The Board of Travelodge is informed of the tax implications of any material commercial transactions in which the business participates.

The company has invested heavily in its finance systems in order to ensure the availability of reliable financial information and to ensure the group meets its tax obligations.

Transparency

Travelodge understands its responsibility to pay an appropriate amount of tax and fully supports measures to ensure companies are appropriately transparent about the management of their tax. As Travelodge continues to grow, the group anticipates preparing a Country-by-Country Report ("CbCR") in-line with the OECD's recommendations resulting from its Base Erosion and Profit Shifting ("BEPS") project. Travelodge's CbCR will be available to the tax authorities in the jurisdictions where the group operates.

Approach to dealing with tax authorities

Travelodge seeks to maintain a collaborative and open relationship with HMRC. In cases of uncertainty with respect to the tax position it adopts, Travelodge proactively consults with HMRC to address any uncertainty.