



## **Tax Strategy**

### **Introduction**

- This document is prepared to satisfy the requirement under section 116 and paragraph 19 of Schedule 19 of Finance Act 2016 to publish a tax strategy.
- This document, approved by the Board of Bellway p.l.c., sets out the tax strategy and approach undertaken by the Group of companies headed by Bellway p.l.c. in relation to how they conduct their tax affairs and deal with tax risks.
- This document will be reviewed periodically by the Group finance team and any amendments will be approved by the Board of Bellway p.l.c. It is effective for the year ending 31 July 2022 and will remain effective until any amendments are approved by the Board of Bellway p.l.c., but it will be formally reviewed and approved on at least an annual basis.
- Bellway are currently designated Low Risk by HMRC Large Business.

### **Tax policy**

- Bellway is committed to conducting its tax affairs in a manner to achieve the following objectives:-
  - Comply with all relevant laws, rules, regulations and reporting and disclosure requirements.
  - Ensure the tax strategy is consistent with the Group's overall strategy and risk.
  - Engage with HMRC and maintain open communications.
  - Maximise legitimate tax reliefs in line with a manner intended by the legislation.

### **Managing tax risks**

- The tax risks of Bellway are included on its Group Risk Register and they are considered at frequent intervals by both the risk owner and the Board. This review includes looking at both existing risks and identifying any new risks.
- Each risk is assessed based on a corporate risk matrix which considers both the potential impact on the Group if a tax risk crystallises and the relative likelihood of it crystallising.

- The Group has strong internal controls in order to reduce the tax risk to acceptable levels. These controls are reviewed, and where appropriate, they are further strengthened.
- Bellway's strategic aims from a tax perspective are to:-
  - Submit all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process;
  - Pay the appropriate amount of tax on time;
  - Maintain tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions; and
  - Ensure those involved in the tax processes are appropriately resourced and supported.
- External advice will be sought from professional advisors if there are any uncertainties in relation to the tax treatment of a potential transaction.

### **The Group's attitude to tax planning**

- Bellway aims to maintain a conservative approach to tax and will not engage in artificial transactions where the sole purpose is to reduce the amount of tax payable.
- The Group will, however, consider undertaking a transaction which gives rise to tax efficiencies providing this is aligned with its commercial activities and complies with the associated tax legislation.
- Bellway will not structure a transaction solely to secure tax savings if the underlying commercial objectives do not support the position, or if the arrangements could potentially affect its reputation, brand, corporate and social responsibilities, or future working relationships with HMRC.

### **Working with HMRC**

- Bellway will deal with HMRC in an open, honest and transparent manner.
- The Group aims to avoid unnecessary disputes with HMRC and this will be achieved by:-
  - Hosting meetings, in person or by other means, with HMRC (CCM and subject specialists), as and when required, to discuss the business and associated tax accounting; and
  - Being proactive by seeking pre-transaction clearances from HMRC where appropriate.

- Bellway's approach, attitude and tax controls have been acknowledged by HMRC who have designated the Group as Low Risk.

### **Tax responsibilities**

- The Board of Bellway p.l.c. is ultimately responsible for the Group's tax strategy and tax risk management systems and controls.
- The Audit Committee considers risk, not just those relating to tax, at each meeting and is updated as to the risk and internal audit activities that have been performed during the period.
- The Group Finance Director is the Senior Accounting Officer and is responsible for ensuring the companies in the Group have appropriate tax accounting arrangements in place.
- The Group Tax Manager and Group Financial Controller are responsible for the day to day tax compliance at a Group level, signing off corporation tax returns, liaising with HMRC, escalating significant and/or complex transactions with tax implications to the Group Finance Director for approval, obtaining advice from external advisors if appropriate, and tax accounting and payment of tax.
- The Group finance team works with the divisional teams to ensure that:-
  - The strategy is adopted and followed consistently across the Group, with clear lines of reporting and accountability.
  - There is alignment of the strategy with Bellway p.l.c.'s overall approach to corporate governance and risk management; and
  - Bellway pays the right amount of tax required under the laws and regulations within the UK.

Date approved: 21 January 2022