

# Avant Homes Group Tax Strategy

January 2018

This document sets out the tax strategy of Avant Homes Group Limited and its subsidiary undertakings (together the “Group” or “Avant”), and in making this strategy publically available the Group is fulfilling its responsibilities under paragraph 16(2), Schedule 19 of the Finance Act 2016.

This strategy applies to all taxes applicable to the Group (including but not limited to corporate income taxes, land purchase taxes, value added tax and employment taxes) and the document is owned and updated annually by the Board of Directors of Avant Homes Group Limited (“the Board”). The Board is responsible for setting and monitoring the strategic direction of the Group. The Group’s tax strategy, at its most succinct, is to support the Group to deliver its strategic objectives by organising its tax affairs in a legally compliant, responsible and efficient manner.

The Avant Group is committed to strong corporate governance and our core values and cultural principles provide the foundations for our approach to taxation.

The Group’s tax strategy is guided by our principles as a “progressive, responsible homebuilder” with a “focus firmly on quality and attention to detail” and by our focus to be “the housebuilder of choice”. Our stated values reflect our commitment to our customers, our

people, to innovation and integrity and being the best at what we do.

To fulfil the new legal requirements which require large businesses in the UK to publish their tax strategy, and to support transparency of our approach to taxation, this document sets out the Group’s approach to:

- \* Governance and tax risk management arrangements;
- \* Our approach to and appetite for tax risk;
- \* Tax Planning;
- \* Dealings with Tax Authorities.

**On behalf of the Board**



**Giles Sharp**

**Chief Financial Officer**

# Tax Strategy

## Scope

The principles of this strategy apply to all Avant Homes Group employees and to advisors and other third parties working with the Avant Homes Group. It endeavors to guide the role of individuals with tax responsibility within the Group, their key responsibilities, their professional conduct and their approach to working relationships with external parties.

## Responsibility and professional conduct

In relation to tax, the Group will aim to:

- \* observe all applicable law, rules, regulations and disclosure requirements;
- \* apply diligent professional care and judgement to arrive at well-reasoned conclusions;
- \* ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved;
- \* achieve certainty on tax positions adopted. Where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate;
- \* develop and foster good working relationships with tax authorities, government bodies and other related third parties;
- \* undertake all dealings with tax authorities in a professional, courteous and timely manner; and
- \* be compliant with all anti-bribery legislation.

## Commercial Rationale

Due consideration will be given to the Group's reputation, brand, corporate and social responsibilities when assessing tax related risk, as well as the

applicable legal and fiduciary duties of directors and employees of the Group. The commercial needs of the business will in no circumstances override compliance with applicable laws and regulations.

## Policy on disclosure

Compliance with all relevant legal disclosure and approval requirements will be adopted and all information will be clearly presented to the tax authorities or other relevant bodies, as appropriate. Openness, honesty and transparency will be paramount in all dealings with the tax authorities and other relevant bodies.

## Approach to risk

As with any large business, from time to time, the Avant Group is exposed to a number of tax risks and uncertainties.

**Over-riding principle:** Tax risk is ideally managed by the prevention of unnecessary dispute. Prevention of unnecessary dispute is desired, appropriate and best achieved through:

- \* strong and clear technical positions;
- \* taking appropriate professional advice;
- \* thorough documentation, particularly of facts;
- \* quantification of the amount of tax involved;
- \* well established relationships with tax authorities; and
- \* strong compliance procedures ensuring accurate and complete tax returns.

Assessment of risk should take due account of:

- \* both short and long term considerations and risks;

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## Approach to risk (continued)

- \* the impact on corporate reputation and brand;
- \* the consequence of disagreements with tax authorities over the application of law;
- \* the benefit of certainty in respect of uncertain or disputed tax positions; and
- \* professional advice taken.

## Appetite for risk

Avant's appetite for risk is governed by the above approach, proactively identifying and mitigating risk to an acceptable level. The Group adopts tax positions that are viewed as supportable and based on appropriate professional advice.

## Attitude to tax planning

The Avant Group recognises the responsibilities it has to a wide range of stakeholders, including its customers, employees, shareholders and HM Revenue and Customs ('HMRC'). The Group's tax strategy seeks to balance the requirements of these stakeholders in a responsible manner whilst reflecting the regulatory, legal and commercial environment in which our business operates.

The Avant Group will not enter into artificial or abusive arrangements for the purpose of achieving a tax advantage. Where we have a choice on how to structure a particular business, transaction or investment, we will structure it in a tax-efficient manner in accordance with our tax strategy, where we have concluded that it is a responsible sustainable choice, consistent with our core principles and values.

We access Government sponsored tax incentives where appropriate and where these are in line with our business activities (for example by making claims for

Land Remediation Relief, a regime which incentivises developers, through additional tax relief, to develop brownfield sites).

## Tax authority relationships

The Group's strategic aim is to foster good relationships with tax authorities and avoid unnecessary disputes. All dealings with tax authorities will be in a professional, courteous and timely manner. The Group will seek to achieve its strategic aim through:

- \* proactively managing the relationship with tax authorities through continued regular face-to-face meetings to discuss current business initiatives and the associated tax accounting;
- \* where appropriate, seeking pre-transaction clearance from tax authorities;
- \* transparency in all interactions with tax authorities;
- \* ensuring that the appropriate individuals with responsibility for tax strategy actively participate in any tax authority formal consultation process where it is expected that the matter under consultation will have a material impact on Avant's liability, or where significant change in practice is being proposed that will impact the Group's tax compliance management; and
- \* making the tax compliance procedures and controls available for review by HMRC upon request.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.