

## **Shepherd Building Group Limited**

### **Group Tax Strategy**

#### **Introduction**

This document outlines the Shepherd Group's tax strategy in relation to the taxes that it is required to pay in the UK and overseas.

The strategy is summarised across the following headings:

- Approach to risk management and governance;
- Attitude towards tax planning;
- Level of acceptable risk; and
- Approach towards dealings with tax authorities.

The publication of this document is regarded as complying with Part 2 of Schedule 19 of Finance Act 2016.

#### **Approach to Risk Management and Governance**

The Group will strive to comply with all aspects of its tax obligations.

The processes in place to achieve compliance include the identification of the major risks that could result in non-compliance and implementing measures to mitigate these risks. The mitigating measures include:

- The use of robust accounting systems and undertaking regular accounting reconciliations;
- Undertaking periodic internal audit reviews of systems and processes;
- Ensuring that employees have the appropriate level of knowledge, experience and training to enable them to carry out their duties; and,
- Seeking external advice when necessary.

The Group's tax functions are overseen by the Group Tax and Treasury Manager and the overall approach to tax risk, including the approval of the Group's Tax Strategy, is set by the Group Board.

#### **Attitude toward Tax Planning**

It is the Group's intention to adopt an ethical approach to tax planning and to ensure that it is paying the correct amount of tax on the due dates.

The Group will achieve this by complying with all applicable laws, rules and regulations and by deploying generally accepted good practices including adherence to good day-to-day tax housekeeping (for example making claims and elections for any tax relief which is generally available). In relation to cross border transactions the Group adheres to guidance issued by the Organisation for Economic Co-operation and Development.

The Group will not engage in any tax planning which is not aligned with its commercial and business activities. Any tax planning idea will be assessed in the context of the Group's reputation as a good corporate citizen and in the context of the Group's desire to maintain a good working relationship with the relevant tax authority.

#### **Level of Acceptable Risk**

The Group will take a low risk approach to tax planning. No tax initiative will be undertaken if there is a risk that it could compromise the Group's reputation as a good corporate citizen. In areas of uncertainty the Group may request clearance from HMRC or sit behind other taxpayers while they are seeking clarification from the courts.

#### Approach towards Dealings with Tax Authorities

The Group wishes to have an open and transparent dialog with tax authorities, for example the Group will notify HMRC of any significant structural changes in its business.

**This strategy document has been approved by the Group Board.**