

NHBC Group Tax Strategy

Introduction

NHBC is committed to paying the right amount of tax at the right time.

This tax strategy applies to the group of companies headed by National House-Building Council (together referred to as NHBC). NHBC operates in the United Kingdom. This document has been prepared and published in accordance with paragraph 16 (2), Schedule 19, Finance Act 2016 and relates to the financial year ending 31 March 2022.

How NHBC manages its tax risk

Tax risk is managed within NHBC's overall risk governance framework. Currently, tax risk is not considered to be a material risk for NHBC within the company's risk and management control framework.

The Board has established a risk governance framework, overseen and supported by a number of Board and executive committees. Tax matters are reported into the Audit Committee, whose responsibilities include monitoring the adequacy and effectiveness of NHBC's systems of control. Responsibility for tax strategy, and management of tax risks rests with the Chief Financial Officer, who is also the Senior Accounting Officer. The Chief Financial Officer delegates the day-to-day tax management to appropriate function areas within NHBC, that manage the tax filing and financial reporting obligations, relationship with HMRC and work with the business on tax related matters.

External, professional advice or compliance services are obtained where needed when specialist support is required. The advice or compliance services could be in relation to significant transactions or areas of uncertainty.

As part of NHBC's risk operating model, the Risk and Compliance function provides oversight and challenge with regards to tax risk. This is performed against the risk appetites set by the Board Risk Committee (a Board Committee), where tax risk is considered. Any significant matters are flagged to the Executive and Board Risk Committees.

NHBC's attitude to tax planning

NHBC is a commercial organisation that designs and delivers its products and services to meet its corporate objectives letting the tax outcomes follow as a result. NHBC's attitude to tax planning also follows this approach; letting the commercially driven transactions and structures result in a fair tax outcome. NHBC does not adopt artificial, non-commercial structures in order to gain an unfair tax advantage. However, subject to taking appropriate external professional advice, NHBC will seek to structure its tax affairs in a tax efficient way, claiming tax reliefs and incentives where available and appropriate.

How NHBC works with HMRC

NHBC works with HMRC in an open, timely and proactive manner. Engagement with HMRC includes regular discussions relating to significant business developments, existing and emerging tax risks, as well as implementation of any new legislation. When submitting its tax computations and returns to HMRC, NHBC may disclose material transactions and matters in order to aid HMRC's understanding and minimise any uncertainty in the tax treatment.

