

Barratt Developments PLC Group
Tax Strategy
Date Published June 18

Introduction

The following sets out the strategy adopted by Barratt Developments PLC and its subsidiaries in dealing with its tax affairs for the year ended 30 June 2018 and is published in accordance with paragraph 16(2), Schedule 19 of Finance Act 2016.

This strategy, which will be reviewed and refreshed annually, covers all UK taxes as set out in paragraph 15(1), Schedule 19 of Finance Act 2016.

Risk management and Governance

The Barratt Developments PLC Board sets out the overall strategy of the Group in relation to Taxation, with overall responsibility for oversight of the tax affairs of the Group delegated to the Chief Financial Officer. The Chief Financial Officer is also the Senior Accounting Officer for all Group entities.

The day-to-day management of the Group's tax affairs is dealt with centrally with responsibility for this delegated to the Group Tax Manager. In addition, the Group uses a panel of appropriately qualified external advisors to provide additional tax support and advice where the Group does not have appropriate in house expertise or resource, or where the position is complex.

The Chief Financial Officer meets with the Group Tax Manager and other senior managers throughout the year to review the tax risk and controls processes within the Group, as well as to discuss all other aspects of taxation. Furthermore, the Audit Committee receives an annual update on the tax position of the Group, including a summary of all HMRC activity in relation to the Group, and will discuss taxation at other meetings periodically throughout the year.

Attitude towards tax planning

Whilst the Group has a responsibility to its shareholders to deliver value, it also recognises its broader, social responsibilities to pay the right amount of tax at the right time. As such the Group has not, and will not, enter transactions that serve no commercial purpose other than reducing the tax liabilities of the Group. However, where commercial transactions are being entered into, the Group will take advantage of any available reliefs and exemptions, as set out in the legislation, to minimise its tax liabilities.

All of the profits of the Group are subject to full UK corporation tax and the Group does not have a target effective tax rate.

Level of risk

The Group Board has a low appetite for tax risk and aspires to have a low risk relationship with HMRC.

The Group also seeks to obtain certainty on any transactional tax risk, particularly in relation to complex land acquisitions. As a result, where after taking appropriate external advice, if the position is not free from doubt, it is discussed with HM Revenue & Customs at an early stage with a view to seeking clarity on the tax position.

Dealings with HM Revenue & Customs

The Group is transparent in its dealings with HM Revenue & Customs and seeks to have an open relationship with them. The Group is in regular contact with HMRC, across all applicable taxes, regarding developments in the business, interpretation of legislation and guidance, and in relation to existing or future tax risks. In addition, the Chief Financial Officer, Group Financial Controller and the Group Tax Manager meet formally with the Group's HM Revenue & Customs Customer Relationship Manager on an annual basis.



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