



**CREST
NICHOLSON**

CREST NICHOLSON HOLDINGS PLC

Tax Strategy

June 2024



Scope

Crest Nicholson Holdings Plc is a public limited company incorporated in England and Wales and listed on the London Stock Exchange.

This Tax Strategy applies to Crest Nicholson Holdings Plc and all its subsidiaries (together, "Crest") from the date of publication until updated in accordance with Schedule 19 of the Finance Act 2016.

As required under the legislation, this document sets out Crest's approach to:

1. Tax risk management and governance
2. Tax planning
3. Tax risk appetite
4. Dealing with HM Revenue & Customs ("HMRC")

Introduction

Crest is a leading developer of quality homes and thriving, sustainable communities. We operate in a sustainable manner taking into consideration our impact and relationships with our customers, communities, employees, the environment, and our suppliers.

Crest operates solely in the UK. Crest's business activities incur a broad variety of taxes. Subject to meeting the legislative criteria, we will pay Corporation tax (including Residential Property Developer Tax), land purchase/building taxes and levies, various employment taxes and many other taxes related to our business activities. Additionally, we will collect and pay taxes on behalf of stakeholders, such as employee and sub-contractor taxes and indirect taxes such as Value Added Tax (VAT).

Crest's tax strategy is guided by the following principles:

- Crest is committed to acting with honesty and integrity in all matters with a strong emphasis on corporate reputation, social responsibility and maintaining good relationships with Government;
- Crest has a low appetite to tax risk and ensure that we have robust tax governance and control frameworks in place;
- Crest works in collaboration with HMRC to ensure that we comply with all tax laws and regulations which apply to our activities;
- Crest does not undertake any artificial arrangements, with the sole purpose of avoiding tax; and
- Crest has a duty to our shareholders and our customers, to ensure that we do not incur any unnecessary or duplicate tax costs whilst meeting the Group's objectives.

These principles apply both to where Crest acts independently, and also where it acts in joint venture arrangements with third parties.

Risk management and governance

As part of its responsibilities, the Board considers all material risks and responsibilities to which the Group may be subject, including taxation, and our principal risks and uncertainties are published in our Annual Report.

The Crest Board has overall responsibility for tax for the Group. The Group Finance Director who is also the Senior Accounting Officer ("SAO") is responsible for implementing the Group's tax strategy. Day to day management of the Group's tax affairs is led by the Group Tax Director in conjunction with Tax professionals in the Tax team and external support where appropriate. The Tax team maintains up to date technical and industry knowledge. The Group Finance Director and the Group Tax Director meet regularly to discuss all tax matters.

Tax risks are identified on a real time basis and monitored on a regular basis through a robust Tax risk framework, and new risks or breaches are escalated where appropriate to the relevant internal stakeholders, Committees (such as the Audit Committee) and ultimately to the Board.

An extensive framework of processes and controls are in place, and regularly reviewed and improved where appropriate, to mitigate tax risks and identify issues promptly. The overall governance approach is designed to ensure that reasonable care is taken across all the relevant processes that could materially affect the Group's tax compliance obligations.

Crest takes its tax affairs seriously and works to continually improve its tax governance and risk management framework. Tax as a consideration, is embedded into all material business decisions.

Attitude to tax planning

Crest has a low-risk approach to tax and hence does not undertake any artificial arrangements with the purpose of avoiding tax. Any tax planning undertaken by the Group must be in line with commercial drivers and must not be contrary to the spirit or intention of the tax legislation and published guidance.

Crest has an obligation to its shareholders and customers to ensure that tax is managed efficiently, and that it utilises any appropriate incentives, reliefs or exemptions that are set out in the tax legislation. Where appropriate Crest will consider structuring of transactions, to ensure that duplicate or additional taxes do not become payable due to inefficient structuring of commercial transactions. Crest will always consider structuring in conjunction with its wider corporate reputation and the impact on its customers and the communities in which it operates.

Attitude to tax risk

Crest has a low appetite to Tax risk and has established a strong working relationship with HMRC. We strive to maintain a "low risk" status with HMRC. Where there is any uncertainty with respect to the tax treatment of a transaction or business decision, Crest will seek support from external advisors and/or clarity from HMRC.

Crest proactively engages with stakeholders including government and business partners, to help shape tax policy, and ensure tax results that are both in keeping with Government's aims and are in the interest of the wider industry and Crest's customers.

Dealing with HMRC

Crest strives to work with HMRC on a collaborative, transparent and real time basis to meet all tax requirements. Where there is a material uncertainty on any area Crest will enter into discussions with HMRC to obtain certainty. Where issues are identified in relation to any taxes that Crest pays or collects, then Crest promptly makes complete disclosure to HMRC and is open and engaged in dealing with any questions. Crest cooperates fully with any audits or reviews that HMRC undertakes of its tax affairs.

If Crest and HMRC do not agree on the correct treatment of a tax issue, the Group aims to reach resolution as quickly as possible whilst ensuring that shareholder value is protected. Crest will consider litigation where appropriate.

Crest actively and positively participates in all relevant tax consultations to help shape changes to tax legislation or policy that are relevant to the business.