

## **Berkeley Group Tax Strategy**

**Approved by the Board: 8 March 2024**

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### **1. Introduction**

The Berkeley Group Holdings plc and subsidiaries (“Berkeley”) operate in the UK property development sector through a network of autonomous brands; Berkeley, St George, St James, St Joseph, St William and St Edward (joint venture with M&G). The Group’s geographical focus is in London, Birmingham and the South of England.

Berkeley’s business strategy articulated through the framework of “Our Vision” is “to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world.” Underpinning Our Vision is a core set of values, including integrity and this underpins our approach to taxation and our dealings with HM Revenue and Customs (“HMRC”).

### **2. Scope**

The publication of The Berkeley Group Holdings plc Tax Strategy for the year ended 30 April 2024 is in accordance with paragraph 16(2), Schedule 19 of Finance Act 2016 and applies to all subsidiaries in the Berkeley Group. A separate tax strategy has been published for St Edward which can be found at [St Edward Tax Strategy](#).

This Berkeley Group Tax Strategy applies alongside the Anti-facilitation of Tax Evasion Policy, Anti-bribery and Corruption Policy and the Business Ethics Policy.

References to taxation include income tax, corporation tax including Residential Property Developer Tax, PAYE, NIC, VAT, Stamp Duty and Stamp Duty Land Tax.

### **3. Aim**

Berkeley seeks to meet all of its statutory and regulatory tax obligations. This means acting with reasonable care in relation to all tax filing and payments and disclosing where appropriate all relevant facts and circumstances to the tax authorities when undertaking non-routine transactions and/or claiming reliefs.

Berkeley recognises that its tax obligations are for the most part clearly determined in law and practice, but there will be areas where judgment is required and choices are available. The uncertainty arising from the interpretation and application of taxation laws and regulations gives rise to tax risk. To manage tax risk Berkeley encourages an environment of openness and transparency throughout Berkeley in which risk management is embedded in the day to day business.

### **4. Governance and Tax Risk Management**

The Tax Strategy is ultimately overseen by the Board of Directors. It is reviewed periodically and when there are material changes to the tax environment. Any proposed changes will be discussed with and approved by the Board.

The Group’s approach to taxation is reviewed periodically in light of changes to:

- The general business environment
- Business operations
- Tax laws and regulations
- Emerging business and tax risks.

Responsibility for the day to day management of the Tax Strategy is delegated to the Chief Financial Officer and through him to the Head of Tax and the Head of Finance and Projects, who is the current Senior Accounting Officer.

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The Head of Tax submits a report once a year to the Audit Committee on the status of the Group's tax affairs and reports on a regular basis to the Chief Financial Officer, who is a member of the board of directors.

The Head of Tax is kept up to date on matters impacting business operations and all significant non-routine land acquisitions so that tax positions can be managed appropriately. The day to day responsibility for operational taxes is embedded within the risk management framework of the individual businesses with support from the Group Tax function and external advisors.

Recommendations for improvement for the tax control and governance framework are made by the Head of Tax, Head of Internal Audit, Head of Finance and Projects and local finance teams.

Guidance on how to comply with new tax laws and regulations is provided by the Head of Tax and external advisors and implemented in conjunction with business unit Finance Directors and Berkeley Group head office.

The Group establishes and maintains robust policies and compliance processes to ensure the integrity of its tax returns, and timely and accurate tax payments in all countries in which it operates. This includes ensuring that the Group Tax team has the necessary training to manage tax positions appropriately and access to external advisors. This training and communication is extended to business units where appropriate.

### **5. Level of risk tolerated in relation to UK taxation**

Given the scale of Berkeley's business and the volume and pace of change within the tax environment and in particular the property sector, risks will inevitably arise in relation to the interpretation of tax law and the application to Berkeley's day to day compliance arrangements. Berkeley proactively seeks to identify, evaluate and manage these risks in accordance with its risk management framework to ensure they remain in line with the Group's risk appetite and do not adversely impact the business. Where there is significant uncertainty or complexity in relation to a risk that directly or indirectly impacts Berkeley, advice will be sought from external advisors and/or clarity sought from HMRC as appropriate.

### **6. Tax Planning**

Berkeley does not adopt planning without a sound commercial basis. Berkeley will not undertake planning that is contrived or artificial and the pre-requisite for a sound commercial basis together with the focus on long-term value creation ensures that transactions are not entered into with a tax advantage as the sole or main objective.

### **7. Relationship with HMRC**

The guidance requires companies to articulate how they meet the requirement to work with HMRC on current, future and past tax risks. The Group maintains a professional and collaborative working relationship with HMRC but tax is inherently complex and from time to time the complexity of tax laws means that differences in interpretation may arise. The Group works proactively with HMRC to resolve such matters in a timely manner, through discussion wherever possible.

Berkeley recognises the importance of a stable, fair and transparent system of taxation in the UK to enable a period of consistent growth, the delivery of new homes and for the Group to deliver its strategy and vision. Changes and uncertainty in Government policy in the area of property taxation can impact upon the attractiveness of London as a World City and housing delivery in the UK. In light of the importance of taxation to housing supply, Berkeley will act as a corporate voice on industry specific issues, seek to influence policy and lobby for changes in the system where appropriate.