



Rydon

RYDON GROUP TAX STRATEGY

SEPTEMBER 2017



This document sets out the approach of the company and its subsidiaries (“Rydon Group”) to the conduct of its tax affairs. It is published in accordance with the requirements set out under paragraph 16(4) to Schedule 19 of the Finance Act 2016 and applies to Rydon Holdings Ltd and to the 51% group of companies in accordance with paragraph 22 of Schedule 19 to the Finance Act 2016. This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule.

Rydon Group is committed to full and open compliance with its tax obligations and in the maintenance of a transparent control framework for the identification and management of tax risks. In particular, Rydon Group seeks to ensure that:

- It follows all applicable laws and regulations relating to its tax affairs
- It maintains an open, honest and collaborative relationship with the tax authorities
- It applies care and diligence in control and management of processes by which all tax-related activities are undertaken, keeping such processes and controls under ongoing review

Management of tax risk

Rydon Group’s tax strategy is built on a foundation of ensuring that tax risks which might arise from our business operations are identified, quantified, and controlled through the implementation of appropriate processes at all stages of the business cycle.

It should be noted that Rydon trades solely in the United Kingdom and so does not face risks associated with international taxation. Rydon Group implements a variety of controls and processes to minimise these risks, applied to individual entities within the Group as well as to the Group in its entirety. In broad terms, these controls and processes seek:

- To minimise transaction risk through proper initial assessment and ongoing monitoring of the nature of our transactional relationships, and through application of appropriate systems controls supported by training of relevant staff and senior-level review
- To mitigate compliance risk through hiring and training properly experienced and qualified personnel to participate in tax activities, and by operating successive levels of review and authorisation

The Group has established a framework of governance to keep tax controls and processes under ongoing review, comprising regular meetings of subject matter experts for each key tax area operating under the authority of the Senior Accounting Officer. These groups are charged with reviewing the application and effectiveness of the controls and processes (and with making recommendations for improvement where appropriate) as well as review of specific tax issues arising from the Group’s business activities.

Rydon Group seeks to ensure that personnel engaged in all aspects of tax affairs are appropriately trained and qualified, and applies this policy in hiring new employees into relevant positions. The Group will engage with external advisers on a case-by-case basis to seek additional advice either on individual issues or on the efficacy of the Group’s controls and processes.

The Board of Rydon Holdings Ltd has ultimate responsibility for tax strategy and compliance and for ensuring that the Group's tax affairs are properly managed. The Board reviews taxation issues across the Group as a routine item in every Board meeting and has reviewed this document. In reviewing tax matters, the Board will consider the following:

- The legal and fiduciary duties of Directors and employees
- The maintenance of corporate reputation, having particular regard to the way we interact with the communities around us, our clients and our suppliers
- Our legal and other regulatory obligations including the potential consequences for our relationship with tax authorities

Attitude towards tax planning and level of risk

Rydon Group manages risks to ensure compliance with legal requirements in a manner, which ensures payment of the right amount of tax. Whilst the Group seeks to structure its tax affairs in an efficient manner, this does not take precedence over the commercial goals of the Group. All tax planning must have a business purpose and the economic benefits associated with tax planning must never override compliance with all applicable laws. In applying specific controls and processes to tax affairs Rydon Group ensures that arrangements are simple, well-understood and based on proper research and (where appropriate) external advice.

At all times Rydon Group seeks to comply fully with its regulatory and other obligations and to act in a responsible way. In relation to any specific issue or transaction the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Approach towards dealings with HMRC

Rydon Group is committed to the principles of openness and transparency in its approach to dealing with HMRC. In particular, the Group commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion
- Seek to resolve any issues with HMRC in a timely manner, and where disagreements may arise to work with HMRC to resolve issues by agreement where possible
- Be open and transparent about decision-making, governance and tax planning

Signed on behalf of Rydon Group

*Signature(s) removed for security reasons:
signed copies available on request*

Mark Day
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