

## **Tax Strategy - Tilia Homes Limited**

*Financial year-ended: 31 March 2024*

*Prepared in accordance with the requirements of the Finance Act 2016*

### Scope, about us and guiding principles:

This tax strategy applies to Tilia Homes Limited ('Tilia'), a private limited company registered in England and Wales, and the group of companies headed by Tilia in accordance with Schedule 19 (paragraph 16) of the Finance Act 2016.

The group carries out housebuilding in the United Kingdom through its principal trading subsidiary, Tilia Homes Limited ('Tilia'), and a number of joint ventures and wholly owned subsidiaries. A list of the entities to which this tax strategy applies is set out in Appendix A.

The main taxes Tilia pays are employment taxes, stamp duty land tax ('SDLT'), and corporation tax. In addition, Tilia is registered as a contractor under the Construction Industry Scheme ('CIS') and deducts tax on payments to subcontractors under CIS rules where applicable. New build housing is a zero-rated supply for VAT purposes therefore Tilia do not charge VAT on house sales but are able to recover the majority of input tax on our purchases. Tilia are also subject to other taxes such as the apprentice levy and business rates.

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

1. How Tilia manages UK tax risks i.e., tax risk management and governance;
2. Tilia's attitude to tax planning;
3. Tilia's tax risk appetite; and
4. How Tilia works with HM Revenue & Customs ('HMRC').

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

- Tilia have a low appetite to tax risk and ensures that we have robust tax governance and control frameworks in place;
- Tilia work in collaboration with HMRC to ensure that we comply with all tax laws and regulations which apply to our activities; and
- Tilia have a duty to our owners and our customers, to ensure that we do not incur any unnecessary or duplicate tax costs whilst meeting Tilia's objectives. This includes not undertaking transactions where the sole purpose is to create a tax benefit which is in excess of what is reasonably understood to be intended by the relevant tax legislation.

### 1. How Tilia manages UK tax risks

- Ultimate responsibility for Tilia's tax strategy and compliance rests with the board of Tilia.
- The board's requirement to monitor reporting systems, internal controls and risk management, expressly includes those elements relating to taxation.
- The Chief Financial Officer ('CFO') is the Senior Accounting Officer ('SAO') for Tilia and has responsibility for tax matters as delegated by the board.
- Processes relating to different taxes are allocated to appropriate process owners, who carry out review of activities as required.
- Tilia employ a Tax Accountant who is responsible primarily for all VAT and CIS related matters, and the role is overseen by the Group Financial Controller (GFC).
- Tilia review corporation tax returns within the Group Finance team, also overseen by the GFC, as part of preparing the annual statutory accounts. The returns are prepared by our tax agent.
- Employment taxes are the responsibility of the HR Director, as overseen by the board.
- Land acquisitions are assessed, and the relevant returns completed, by Tilia's legal advisors for each region.
- In addition we obtain advice from appropriately qualified external advisors on specialist tax matters. In order to supplement the skills of our own finance team in appropriate cases and as part of routine reviews.

### 2. Tilia's attitude to tax planning

- The tax consequences of any significant commercial transactions are considered by the board as part of its assessment of the transactions in question.
- At all times we seek to fully comply with our regulatory and other obligations and to act as a responsible corporate citizen.

### 3. Tilia's tax risk appetite

- Tilia have a low appetite towards tax risk, and do not undertake transactions led by a tax planning motive.
- Tilia manages risk to ensure compliance with legal requirements in a manner which ensures payment of the correct amount of tax.

- Tilia seek to minimise the risk of a dispute with HMRC by being open and transparent about our tax affairs.

#### 4. How Tilia works with HMRC

- Tilia seeks to have an open and transparent relationship with HMRC.
- Tilia are committed to ensuring we pay the right amount of tax and to work collaboratively with HMRC to ensure we are properly regarded as a low-risk business.
- Tilia are not large enough to be allocated an HMRC account manager, so Tilia use either the general HMRC Helpline (as required), log-in and receive HMRC communications via the Government Gateway (as required) or contact HMRC via our tax agent (as required).
- Tilia aim to respond to all HMRC reviews and queries promptly.

Date approved by CFO: 05 March 2024

## Appendix A – list of entities covered by this tax strategy

Company	Company Number	Status
Tilia Homes Limited	00775505	Trading
Tilia Homes Caledonia Limited	02243256	Trading
Tilia Partnership Homes Limited	04242676	Trading
Tilia Homes Developments 1 Limited	14776110	Trading
Tilia Cross Keys Devco LLP	OC415517	Trading
Tilia Cross Keys Holdco 1 LLP	OC415499	Active
Tilia Cross Keys Holdco 2 LLP	OC415502	Active