

## INTRODUCTION

This document sets out the Tax Strategy for Howard de Walden Estates Holdings Limited ('the Company') and its subsidiaries (which together form 'the Group') for the year ending 31 March 2019 in compliance with the Finance Act 2016 Schedule 19, paragraph 16.

The Tax Strategy, for which the Board has ultimate responsibility, is prepared and updated by the Finance Director in collaboration with the Finance Team. Day to day responsibility for implementation of the tax strategy is delegated to the Group Financial Controller who works with an established Finance Team to comply with tax legislation and manage tax risk through internal processes and procedures.

### **The Group and its activities**

The Group is the freehold owner of most of the buildings within a 92-acre area of Marylebone. The Group is beneficially owned by members of the Howard de Walden Family and its landholding has been under the family's stewardship since 1879. The Howard de Walden Estate owns, manages and leases the majority of properties across an area extending from Marylebone Road in the north to Wigmore Street in the south and Hallam Street in the east to Marylebone High Street in the west. The Group is a long term investor and targets sustainable growth in rental income which is a key performance indicator.

## GOVERNANCE IN RELATION TO TAXATION

The governance of our business is overseen by the Board of Directors ('the Board') which is committed to ensuring that the Group continues to meet its business, financial and sustainability objectives. As a prevalent and long term property investor, constantly monitoring risks and being prepared for any changes is critical in order for the Group to succeed. Accordingly, the Board ensures that the Group has appropriate processes and procedures in place to identify and manage both ongoing and new risks, including tax matters, which may arise.

Significant tax risks are documented in the Group's risk register, particularly if they are likely to have a significant impact. Risk and internal controls are reviewed regularly and are reported to the Audit Committee and the Board by the Finance Director.

Acquisitions, redevelopments and disposals are undertaken to support the Group's strategic objectives and may have a significant tax impact. There is formal reporting to the Board by the Property Director on these matters which may include input from the Finance Department.

## **RISK MANAGEMENT IN RELATION TO TAXATION**

The Senior Accounting Officer is the Finance Director. Responsibility for the Group's tax management is undertaken by the Group Financial Controller, a Chartered Accountant with extensive knowledge and experience of tax matters relating to property, who reports to the Finance Director.

As a large business and employer with activities based solely in the UK, the Group is subject to UK taxes including corporate taxes, property taxes, employment taxes, local taxes such as Council Tax and indirect taxes such as VAT.

Day to day tax compliance is undertaken by designated staff within a well-established Finance Department who are all qualified Accountants. These members of staff have a wealth of experience working on tax matters and receive regular training on changes in legislation. Returns associated with most day to day tax compliance are completed in house, with appropriate levels of internal review. Annual Corporation Tax returns are prepared and submitted to HMRC by professional advisers, following input from the Finance Team.

The Group has close working relationships with professional advisers covering all aspects of taxation and will seek advice on any tax matter where internal expertise is unclear or ambiguous.

The Finance Director and Group Financial Controller actively monitor changes to existing tax legislation and the introduction of new tax legislation. The Group is proactive in seeking assistance and clarification from professional advisers on all changes to tax legislation to ensure appropriate processes and procedures are in place.

## **ATTITUDE TO TAX PLANNING AND TAX RISK APPETITE**

The Group's tax strategy is compliance based and its objective is to account for and pay all taxes in an accurate and timely manner. The Group does not engage in tax planning schemes and does not enter into arrangements which could be perceived as aggressive.

All transactions entered by the Group are undertaken for commercial objectives rather than for tax purposes. The tax implications of any large transactions are considered by the Finance Director and Group Financial Controller, taking external professional advice where needed. The Board is updated regularly on any tax matters affecting the business.

The primary activity of the Group is to operate a property investment and management business which is capable of distributing a share of its profits to shareholders, however this can only be achieved by understanding how its activities affect neighbours and the environment. As a consequence, the Group aligns shareholder prosperity with the well-being of the community, the environment and other key stakeholders. The reputation of the Group is of paramount importance and it requires all Directors and employees undertake their responsibilities with professionalism, integrity and openness. Accordingly, the Group's appetite for tax risk is low.

## **WORKING WITH HMRC**

The Group has an open and transparent working relationship with HMRC and is committed to this continuing. In 2018, the Group applied for a Customer Compliance Manager ('CCM') to further strengthen its relationship with HMRC but HMRC did not feel that it was necessary for the Group to have a CCM. Accordingly, the Group was categorised as a mid-sized business and no dedicated adviser offered.

The Group is fully cooperative in all dealings with HMRC; responding promptly to queries raised from inspections and enquiries, strictly adhering to all filing deadlines and ensuring that all taxes due are settled on or before the due date.

The Group takes tax compliance very seriously and is continuing the process of reviewing ways to simplify this where possible in order to expedite information to HMRC.

This document was approved by the Board of Directors on 12 March 2019 and was signed on its behalf by

A handwritten signature in black ink, appearing to read 'M. Kildea', with a horizontal line underneath.

---

**Mark Kildea**  
**Finance Director**