HomeServe plc
Tax Strategy

This paper sets out the tax strategy of HomeServe plc and its UK subsidiary undertakings (the "UK Group"), and in making this strategy available the UK Group is fulfilling its responsibilities under Schedule 19 of the Finance Act 2016.

This tax strategy applies to all UK taxes applicable to the UK Group and the document is owned by the Board of Directors of HomeServe plc ("the Board"). It will be reviewed annually, updated as appropriate and approved by the Board. The Board is responsible for setting and monitoring the strategy. The finance teams of the UK Group are accountable to the Board for the implementation of the tax strategy and the management of tax and related risk.

The UK Group's Tax Strategy is guided by our vision "to be the world's largest, most trusted provider of home repairs and improvements" and by our purpose "to make home repairs and improvements easy". Our stated values reflect our commitment to our customers, our people, to innovation and integrity and being the best at what we do.

Our tax strategy reflects our status as a PLC which requires strong governance and consideration of our reputation, while delivering returns to our shareholders. Our tax strategy also reflects the regulated nature of our business, which requires further compliance with local laws, regulations and guidance.

How the UK Group manages its tax risks

The UK Group's on-going approach to UK tax risk management and governance is based on the principles of reasonable care and materiality, and ensuring we comply with our status as a PLC within a regulated market as detailed above. The UK Group maintains on-going application of tax governance with strong internal controls in order to substantially reduce tax risk to materially acceptable levels. As part of this governance, the UK Group has identified tax risks, which are maintained on risk registers, and their materiality is assessed based on a corporate risk matrix which records the potential impact on the Group if the tax risk crystallises and the relative likelihood of it crystallising.

The tax risk registers are subject to robust monthly or quarterly processes to ensure that they are continually reviewed and that the risks are adequately managed. The tax risk registers are subject to external reviews where appropriate and are updated accordingly. A detailed log of these risk reviews is maintained, which if necessary allows tax risks which have a high scoring on the corporate risk matrix to be raised up through the appropriate levels of management and ultimately to the Board, and if necessary engagement with HM Revenue & Customs (HMRC).

The UK Group's attitude to tax planning

The UK Group will not engage in artificial transactions the sole purpose of which is to reduce UK tax. However, the UK Group will consider undertaking a transaction in a way that gives rise to UK tax efficiencies providing this is aligned to the UK Group's commercial objectives as detailed above and complies with the associated UK tax legislation. The UK Group will not engage in tax efficiencies if the underlying commercial objectives do not support the position, or if the arrangements impact upon the UK Group's reputation, brand, corporate and social responsibilities, or future working relationships with HMRC.

The UK Group and its tax risks

The UK Group's strategic aim is to maintain its low UK tax risk rating as determined by HMRC's Business Risk Review process. HMRC continue to maintain the UK's low tax risk rating, with the next review process scheduled in twelve months time. The UK Group seeks to achieve this aim through: (a) submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process; (b) paying the appropriate amount of tax at the right time. Where this view may differ to the position taken by HMRC, the UK Group aims to be transparent about the filing position it has taken; (c) maintaining tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK; (d) ensuring that the HomeServe departments who are involved in the UK Group's tax processes are both adequately resourced, supported and that key personnel are retained in order to manage tax compliance issues on a timely basis; (e) ensuring all tax filing positions are supported with appropriate documentary evidence; and (f) undertaking Corporate Criminal Offence (CCO) risk reviews on an annual basis, seeking external support where appropriate. The CCO risk review this year was supported externally and concluded that the UK Group is deemed low risk.

Working with HMRC

The UK Group will comply with all relevant legal disclosure and approval requirements and all information will be clearly presented to HMRC as appropriate. In its dealings with HMRC, the UK Group will act in an open, honest and transparent manner. The UK Group's strategic aim is to avoid unnecessary disputes with HMRC and thus minimise tax risk, and we will seek to achieve this through: (a) continuing to host regular face-to-face meetings with HMRC to discuss current business initiatives and the associated tax accounting; (b) where appropriate, seeking pre-transaction clearances from HMRC; and (c) making the tax compliance procedures and controls available for review by HMRC upon request.

This Tax Strategy document is communicated to all the relevant stakeholders within the UK Group, from the Senior Executives who are making regular commercial decisions to those individuals who are involved in the daily tax processes/procedures that we operate, so that it is firmly embedded in the culture that we adopt. This Tax Strategy will be subject to continuous review by these stakeholders to ensure that the UK Group is adhering to its strategic aims and objectives and these performance reviews will be documented and made available to the Board as part of its annual review.

Issue Date: 6 June 2022 – relating to Financial Year Ending 31 March 2023