

# **Betjeman Group Tax Strategy**

## **Introduction**

This document, approved by the Betjeman Holdings JvCo Ltd (“BHJV”) Board of Directors (“the Board”), provides an overview of the tax strategy, tax policy, and tax risk management of the Betjeman Group (hereafter the “Group”). The Group is defined in the end of this document. In accordance with paragraph 16 of Schedule 19 to the Finance Act 2016, the Group is composed of the UK companies owned directly and indirectly by BHJV. The strategy is published in accordance with paragraph 16(4) of Schedule 19.

BHJV is the ultimate parent company of HS1 Limited, which owns the concession to 2040 to operate, maintain and renew the UK’s only High Speed Railway. All entities in the Group are wholly tax resident in the UK and have no investments outside of the UK.

This strategy applies from the date of publication until it is superseded.

References to ‘Tax’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax.

This tax strategy is in relation to the period to 31 March 2020.

## **Governance in relation to UK taxation**

Ultimate responsibility for the Group’s tax strategy, tax compliance, and tax risk management rests with the Board. Tax risk management is the responsibility of the Finance function of the Group, which is overseen by the Audit Committee. Executive management of tax risk is delegated by the Board to the Chief Financial Officer (“CFO”). The CFO ensures the Group’s tax obligations are understood, complied with, and managed appropriately. Day to day responsibility is delegated by the CFO to the Group Financial Controller (“GFC”), who reports to the CFO.

## **Tax Risk Management and Compliance**

The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations. The Group has a low tax risk appetite.

Employees involved in tax matters aim to manage tax risk effectively by:

- Adhering to all applicable tax laws, rules, regulations and disclosure requirements, keeping the Board updated with any key changes.
- Ensuring all tax decisions are taken to the appropriate level.
- Maintaining clear documentation of all decisions with evidence of the facts and rationale of the conclusion reached.
- Seeking appropriate advice from tax advisors where the tax law is unclear or subject to interpretation to ensure a view is formed with improved certainty. Where a high level of certainty is unachievable, a risk assessment is undertaken and full disclosure made to HMRC.
- Undertaking regular tax training and keeping up to date with new legislation.

Changes to the Group’s tax strategy are reviewed and approved by the Board.

This tax strategy is to guide all Group employees involved in tax matters. The Group has an obligation to pay the correct amount of tax as it falls due in the UK in accordance with the UK statutory deadlines.

### **Attitude to Tax Planning**

When entering into commercial transactions, the Group seeks to utilise available tax incentives, reliefs and exemptions in line with, and in the spirit of, the tax legislation.

The Group's tax strategy is around the following three key areas:

- Integrity in its tax compliance, planning and reporting;
- Managing tax risk in line with the groups risk appetite; and
- Enhancing shareholder value from tax planning that underpins genuine commercial operations.

### **Working with HMRC**

We seek to engage with HMRC openly with honesty and integrity. We seek a collaborative relationship with HMRC. This is achieved by:

- Maintaining an open dialogue with HMRC and in particular the HMRC Customer Compliance Manager ("CCM"). Relevant business developments are raised with the CCM in order to discuss the associated tax implications.
- The timely submission of tax returns with prompt responses to any queries arising.
- Being transparent with HMRC in cases of interpretation or complexity and working with HMRC on a real time basis.
- Fully supportive of the HMRC Business Risk Review process.
- Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

### **The Group**

For the purpose of this document, the Group is composed of the following legal entities:

- Betjeman Holdings JVCo Limited
- Betjeman Holdings Midco Limited
- Betjeman Holdings Limited
- Helix Holdings Limited
- Helix Midco Limited
- Helix Bufferco Limited
- Helix Acquisition Limited
- High Speed Rail Finance PLC
- High Speed Rail Finance (1) PLC
- HS1 Limited
- CTRL (UK) Limited
- High Speed One (HS1) Limited