

Henry Group Holdings Ltd - UK Tax Strategy

Introduction

Henry Construction Projects Ltd and Henry Construction Contracts Ltd are the subsidiaries of Henry Group Holdings Ltd. Henry Construction is the main trading company of the group. Henry Construction Projects Ltd, has evolved and grown from a plant hire, groundworks and RC Frame specialist, to become a multi-disciplined major UK Building contractor, working in both the private and public sector on residential and commercial units.

Managing tax risks

The Group's tax policies are set, reviewed and approved annually by the directors together with the Finance Manager in accordance with the Group's overall commercial and risk appetite. The key roles involved in managing the tax risks are the Finance Manager, who reports to the Managing Director, who are ultimately responsible for setting and implementing tax policies.

Tax risk can arise due to the complexity of tax legislation, potential differences in interpretation, and in relation to our business operating model. In order to manage this, management-approved policies and processes have been established to ensure the integrity of our tax filings and other tax compliance obligations in the UK and worldwide, and our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business.

Tax Planning

In order to ensure we fully comply with new and existing tax legislation; we occasionally seek external tax advice to help us correctly interpret new technical and complex laws as well as confirming we are complying with all relevant statutes

We make operating decisions purely on a commercial basis and only after this consider how these transactions can be implemented in a way which maximises shareholder value whilst adhering to the Group's overall low-risk tax policies. We sometimes seek external views, especially with complex transactions as to whether our interpretation of legislation is correct, or if there are other considerations which will help increase shareholder value whilst achieving our commercial aims in a low-risk manner.

Tax Risks

We have board-led internal tax policies throughout the business which detail the low-risk approach to tax. This is rigid and does not change depending the situation. This is partially influenced by our stakeholders who demand that the business maintain a reasonable approach to tax and don't take undue risks in an attempt to increase profitability.

Working with HMRC

We seek to ensure that our engagement with HMRC is professional, open and honest, and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. Where considered appropriate, we would be prepared to litigate on matters where agreement cannot be reached through discussion, although we would consider the potential impact on our reputation and on our working relationship with HMRC before doing so.

5th June 2019