

Group Tax Strategy

The publication of this tax strategy is regarded as satisfying the statutory obligation, under Part 2 of Schedule 19 of the Finance Act 2016, for Ark UK Holdings Limited and its wholly-owned subsidiaries (the 'Group'), for the period ended 30 Dec 2018. A list of the entities forming the Group can be found at Appendix I. The Group predominantly trades through HHGL Limited, which trades as Homebase.

The principle activities of Homebase are home improvement and outdoor products. The activities undertaken by the business incur a range of taxes, the appropriate arrangements are in place to accurately calculate the relevant liabilities needed.

Commitment to compliance

The Group is committed to full compliance with its statutory obligations and takes a conservative approach to tax risk. The Group aims for certainty on all tax positions it adopts. Where the tax law is unclear or subject to interpretation, professional advice is obtained, and when necessary the UK tax authorities (or other relevant tax authority) are consulted for clarity.

Governance arrangements

The tax strategy is prepared and updated by the Finance Director, in conjunction with the finance team and is approved by the Board. Overall execution of the strategy is the responsibility of the Board, with day-to-day responsibility delegated to the Finance Director and their team.

Attitude of the group towards tax planning

The Group's approach to tax planning is to operate and pay tax in accordance with the tax law in each relevant jurisdiction. The Group will not engage in artificial transactions, the sole purpose of which is to reduce UK tax.

Approach to tax risk management

The Finance Director, as Senior Accounting Officer, is responsible for ensuring that appropriate policies, processes and systems are in place and that these are reviewed for operational effectiveness.

The Group's tax department have clearly defined roles and the required support to carry out their roles effectively. Regular training, and external support will be provided to ensure the Group's tax department is capable of identifying and managing the tax risks faced as a result of changes to tax obligations.

The Group will seek external advice on tax consequences where the transaction is material, complex or where the Group lacks the relevant expertise.

Relationship with HMRC

The Group seeks to adopt a transparent and collaborative relationship with the UK tax authorities (HM Revenue and Customs). In particular, the Group seeks to:

- engage in full, open and early dialogue with the UK tax authorities to discuss tax planning, strategy, risks and significant transactions;

- make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- resolve issues with the UK tax authorities in real time and before returns are filed if possible, and where disagreements arise, work with the UK tax authorities to resolve issues by agreement (where possible);
- be open and transparent about decision making and governance;
- have reasonable grounds to believe that transactions are structured to give a tax result which is not inconsistent with their economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament; and
- interpret the relevant laws in a reasonable way.

30th December 2018

Beddington House (No.4) Limited
Beddington House Holdings Limited
Bunnings (UK & I) Holdings Limited*
Bunnings Services Limited*
Fifthgrange Limited
Focal Point (Lighting) Limited
Hampden Group Limited
HHGL Limited (formerly Homebase Limited)
Home Charm Group Limited
Home Charm Group Trustees Limited
Homebase (NI) Limited
Homebase Card Handling Services Limited
Homebase Direct Limited
Homebase Group (2000) Limited
Homebase Group Limited
Homebase Holdings Limited
Homebase Spend & Save Limited
Iconford Limited
Index Limited
Lexden BH (Colchester) Limited
MI Home Limited
Modern Interiors Limited
Quickinstant Limited
Sandfords Limited
Texas (NI) Limited
Texas Homecare (Northern Ireland) Limited
Texas Homecare Installation Services Limited
Texas Homecare Limited
Texas Installations Limited
Texas Services Limited
Trend Décor Limited