



# Grafton Group (UK) plc Tax Strategy



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### Scope

This strategy applies to the group of companies headed by Grafton Group (UK) plc in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. A list of the active entities to which it applies is set out below. In this strategy, references to 'Grafton Group' or 'the Group' are to these entities.

References to 'UK Taxation' 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. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

### Aim

Grafton Group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with the Group's overall high standards of governance.

The Group takes its corporate responsibilities seriously and recognises the need to make its required tax contribution in the various territories in which it operates as well as being responsible for the deduction and payment of various fiduciary taxes, such as but not limited to, VAT, PAYE and Social Security.

### Governance in relation to UK taxation

- Ultimate responsibility for the Group's tax strategy and compliance rests with the Board of Grafton Group plc;
- The responsibilities of the Audit & Risk Committee of Grafton Group plc to monitor the integrity of Grafton Group's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Chief Financial Officer ('CFO') of Grafton Group plc is the Board member with executive responsibility for tax and advises the Board of all tax compliance and reporting matters;
- The CFO works with Group Finance and the finance teams in the UK businesses to manage UK companies tax risks.

### Risk Management

- The Group takes a conservative approach to tax risk;
- Grafton 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;
- Processes relating to different taxes are allocated to appropriate individuals, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate. External tax advisers are used for tax compliance matters. The Group also uses external advisors to assist in determining the tax consequences of significant transactions.

### Attitude towards tax planning and level of risk

Grafton Group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.



It is the Group policy that tax planning is underpinned by commercial substance. The Group recognises its responsibility to optimise overall returns to shareholders in its recommendation of the manner in which commercial or business opportunities should be implemented.

The level of risk which Grafton Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. At all times Grafton Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board and management is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question. External advisors are used to assist in determining the tax consequences of significant transactions.

### Relationship with HMRC

As the Group is a large business, a HMRC Customer Relationship Manager (CRM) co-ordinates HMRC's relationship with the Group. The Group is in contact periodically with the CRM and the team that HMRC has appointed with specialists in corporate tax, employee taxes and VAT. HMRC is periodically updated on developments in the UK business and supplied with any information required on a timely basis.

### List of entities covered by this Tax Strategy

(The list below excludes dormant companies).

SL No	Company name	Tax reference number
1	AVC (Stairbox) Limited	68780 56766500
2	B McNamee & Co Limited	7204901650
3	CPI Mortars (North) Limited	94528 58849
4	CPI Mortars Limited	14742 00666
5	GDC Paints Limited	52950 03830
6	Grafton Group (UK) plc	83745 15322
7	Grafton UK Finance Limited	57275 27007
8	Grafton UK Leasing Company Limited	70459 05213
9	Jackson Building Centres Limited	33730 06763
10	LSDM Limited	14399 06033
11	MacNaughton Blair Limited	59340 11624
12	MFP Sales Limited (Belfast branch)	29320 10545
13	P.McDermott & Sons (Omach) Limited	25887 05887
14	Rock Heights UK Investments Unlimited	67643 11541
15	Selco Trade Centres Limited	52040 64752
16	T A Window Limited	6879433418085
17	T G Lynes Limited	66340 03367
18	Woodfloor Warehouse Limited	26500 01876
19	Zene Finance Limited	14682 25999

Dated: 16<sup>th</sup> January 2024

