

Our Tax Strategy



1.1 Wales & West Utilities

Wales & West Utilities (“WWU”)¹ are a group of companies incorporated and tax resident in the UK. The sole trading company, Wales & West Utilities Limited, is a regulated gas distribution business owning and operating the principal gas distribution network in Wales and the South West of England. WWU operates under a Gas Transporter’s License issued by the Gas and Electricity Markets Authority and is responsible for the safety, development, maintenance, and daily operation of its gas distribution network.

1.2 The Strategy

WWU’s Tax Strategy² is to:

- comply with all relevant legislation, regulations, and disclosure requirements at all times;
- submit accurate tax returns and pay the right amount of tax³ at the right time; and
- maintain a transparent, constructive, and professional relationship with HMRC.

1.3 Governance and approach to tax risk

WWU aims to be a good corporate citizen and the corporate values WWU expects its people to display, as set out in the Code of Business Conduct applicable to all staff, supports the way responsible business practice is delivered. Tax risks are a component of WWU’s risk framework supporting corporate strategy and underpinning this strategy is a strong compliance culture with a conservative approach to risk and Board oversight. Responsibility for tax risk management and compliance rests with the Board of WWU. Day to day management of WWU’s tax affairs is delegated to skilled and qualified staff. Specialist tax advice is sought from external professional advisors where appropriate.

1.4 Attitude towards tax planning

The tax affairs of WWU should be arranged or managed with the objective of supporting its business or commercial activities. When entering into commercial transactions, WWU may seek to obtain the benefit of tax incentives, reliefs and exemptions implemented by UK Government under the applicable tax legislation.

1.5 Approach to dealing with HMRC

WWU will make HMRC aware of any relevant significant transactions or business developments in advance and fully disclose any errors or omissions as soon as is practically possible. WWU is proactive and professional in dealings with HMRC and will seek to obtain certainty of the tax treatment for current, future, or past transactions where the legislation is complex, uncertain, or open to interpretation, and attempt to resolve any disputed matters through open discussion and negotiation.

¹ This document sets out the tax strategy in respect of West Gas Networks Limited and Western Gas Networks Limited pursuant to paragraph 22(2) of Finance Act 2016 (“FA16”) and Wales & West Gas Networks (Holdings) Limited and its subsidiaries as a UK sub-group (together “WWU”) pursuant to paragraph 16(2) FA16 for the financial year ended 31 March 2024.

² The tax strategy is published in accordance with the requirements of Schedule 19 of the FA16 and applies from the date of publication until it is superseded.

³ References to tax are taken to include the items within “UK Taxation” as defined by paragraph 15(1) of the Schedule.