

# MHA TAX STRATEGY

## Background & Scope

This Tax Strategy applies to Methodist Homes and its subsidiaries listed at the end of this document, collectively referred to herein as “MHA”. The Tax Strategy applies from 31 March 2018 and will continue to be effective until it is updated. It is expected that the Tax Strategy will be reviewed and, if required, updated on an annual basis. The Tax Strategy is considered to meet the requirements of Paragraphs 16 and 20 of Schedule 19 to the Finance Act 2016 and is available on MHA’s website ([www.mha.org.uk](http://www.mha.org.uk)).

MHA is a company limited by guarantee and a charity registered with the UK Charity Commission. MHA has been providing care, accommodation and support services to older people for 75 years. Its aim is to eliminate isolation and loneliness among older people by providing care for the body, mind and spirit. MHA currently supports some 18,000 older people across the UK, many of whom are at some stage of dementia.

As a charity, MHA benefits from various corporation tax exemptions and reliefs to the extent that its income and gains are applied towards its charitable objects. MHA remains subject to other UK taxes, including VAT, employment taxes and stamp taxes. All of MHA’s activities are conducted in the UK and therefore MHA does not have any overseas tax compliance obligations.

## Overall Governance Relating to Taxation

MHA, being a charitable body committed to improving people’s lives, conducts its tax affairs in a prudent and responsible manner.

The Board of Trustees of MHA (“Board”) is ultimately responsible for MHA’s strategy and performance generally. This Tax Strategy has been reviewed and approved by the Board.

The Board has delegated oversight of MHA’s financial risk management, of which tax risk management forms a part, to one of its sub-committees, the Audit & Risk Committee (“ARC”). Day to day executive responsibility for managing MHA’s tax affairs is itself delegated to MHA’s Director of Finance (“DoF”). The DoF has a team of skilled and experienced people in the MHA Finance Function who report to him on taxation issues. The DoF and members of the Finance Team people receive appropriate training to help them stay abreast of tax developments. The DoF also liaises closely with MHA’s Director of People Development to ensure that employment related taxes are appropriately managed. In addition, the DoF seeks expert advice from MHA’s external tax advisors on issues of complexity or uncertainty, to ensure that MHA complies with its tax obligations appropriately.

## Approach to Tax Risk Management

Tax risks are managed as part of MHA’s broader financial risk management. The DoF has executive responsibility for identifying and managing tax risks and reports thereon to the ARC. The ARC ensures that the Board as a whole is appraised of significant tax risks.

More specifically, MHA's Finance Function maintains a tax risk register which is reviewed periodically by the ARC. Advice is taken from external professional advisors where appropriate to help MHA mitigate tax risks.

### **Attitude towards Tax Planning & Tax Risk**

MHA seeks to take reasonable steps to ensure that it pays the right amount of tax at the right time. As a charity, it has a responsibility to make the best use of its financial resources for furthering its charitable objects and to manage its affairs efficiently. Therefore, MHA takes advantage of available tax reliefs/exemptions to which it is entitled (eg in relation to Gift Aid).

However, as a charity seeking to promote public good, MHA does not seek to engage in contrived or artificial tax structures designed to reduce tax. Nor does MHA engage in abusive tax planning, including arrangements which disrespect the spirit or letter of tax law.

### **Approach to Dealings with HMRC**

MHA is committed to maintaining a constructive and transparent relationship with all its stakeholders, including on its tax affairs with HMRC. If MHA undertakes significant transactions or operations where there is uncertainty of tax treatment, MHA seeks expert professional advice and is committed to ensuring that its advisors clarify any material uncertainty with HMRC transparently. Similarly, if mistakes are discovered in MHA's tax filings/treatment, MHA's approach is to disclose them to HMRC as soon as reasonably practical.

### **Entities to which this Tax Strategy applies**

Methodist Homes

Methodist Homes Housing Association

MHA Auchlochan Ltd

Silk Healthcare Holdings Ltd

Silk Healthcare Ltd

Swift Build Properties Ltd