

Sanctuary Group Tax Strategy

Tax Strategy

Introduction

Sanctuary Housing Association is a not-for-profit charitable entity with no overseas operations and is the parent company of Sanctuary Group. Our mission is to build affordable homes and sustainable communities where people choose to live.

Sanctuary Group employs over 13,000 people and manages more than 100,000 homes in England and Scotland. This includes general rented, retirement living, key worker and student accommodation, care homes and supported housing. We also provide a range of other services including maintenance and telecare.

Accordingly, the operations of some entities can and do involve the undertaking of commercial trading activities. The overarching objective of such entities is the philanthropic donation of earnings to Sanctuary Housing Association or its charitable members by use of Gift Aid. These donations are then reinvested in the sustainable development of homes and services to a diverse range of people in need of housing or care.

Our activities generate a variety of tax liabilities. We pay Corporate Income Taxes, Stamp Duties, Value Added Tax and Employment Taxes.

Our aim is to comply with all aspects of UK tax legislation and work towards paying the right amount of tax at the right time. We seek to do so by acting with integrity and harnessing robust governance controls that are embedded into the organisation.

Tax planning

Our attitude towards tax planning is to consider efficient practices to minimise costs. We work to achieve this by referring to established legislation, case law and concessions. External advice will be sought where material uncertainty exists in relation to the tax impact of business transactions.

The pursuit of aggressive or artificial tax practices that may harm our reputation is not undertaken. Transactions will have a sound business purpose or commercial objective; they will not be transacted solely for the reason of reducing tax liabilities. Any tax efficient structures that are employed will stand up to third party independent review.

Tax risk management

The tax team has clear support internally with a consistent tax reporting system. Training is provided to finance staff to assist with queries. External training is also provided to the tax team. The aim is to submit all returns correctly and on time, comprehensively document those submissions and embed control processes within the wider organisation.

The tax team serves to reduce the risk of errors and to monitor all areas in line with good practice. A tax risk register is maintained and monitored for existing and any new arising tax risks. Through these practices we ensure reasonable steps are taken to ensure appropriate tax accounting arrangements are in place, as specified under the SAO regime.

External advisors are called upon to assist with transactions. Her Majesty's Revenue and Customs (HMRC) also assists when required for additional support and advice.

Transparency

Group dealings with HMRC and other governing bodies are and will be open, transparent and collaborative. A Client Compliance Manager (CCM) is in place with HMRC which allows a clear channel of communication to help sustain a positive working relationship.

Governance

The Group Finance Director owns the tax strategy that is approved by the Group Board and is also the nominated Senior Accounting Officer. The strategy is implemented through the consistent application and maintenance of policies and procedures. These are applicable across the entire Sanctuary Group.

The Corporate Shared Services Manager - HR & Payroll has responsibility for employment taxes and the tax team is responsible for all corporate and indirect taxes.

Our approach and strategy are reviewed annually and were last approved by the Group Board in March 2020. Tax Strategy complies with the UK legislation of Finance Act 2016 Schedule 19.