

## **UK TAX STRATEGY**

### **SCOPE**

In compliance with section 16 (2) of Schedule 19 of the Finance Act 2016, Care UK Health & Social Care Holdings Ltd and its UK subsidiary undertakings (the "Care UK Group") are publishing their UK Tax Strategy for the year ended 30 September 2017.

### **PURPOSE**

The purpose of this strategy is to document the Care UK Group approach to tax compliance, tax risk management and governance, tax planning and dealing with HMRC.

The aim is to ensure Care UK Group is fully compliant with all statutory obligations and full disclosure to HMRC.

### **TAX STRATEGY**

Care UK Group's overall tax strategy defines the strategic tax goals and objectives of the business and Group Tax Team's role in delivering these. We are committed to:

- Ensuring adherence with all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities;
- Applying professional care, diligence and judgement to ensure all decisions are well-considered and documented;
- Ensuring that tax strategy is aligned with business and commercial strategy;
- Ensuring a robust tax governance framework is embedded within the business;
- Working positively, pro-actively and professionally with HMRC;
- Developing our people by providing the relevant training and support to ensure they have the skills, technical expertise and knowledge.

This tax strategy document is communicated to all relevant stakeholders within the Group and has been approved by the Board.

Details in relation to the four main elements of Tax Strategy as required by Schedule 19 of the Finance Act 2016 are:

1. Approach to risk management and governance:

- Responsibility for the tax strategy, supporting the governance framework and management of tax risks ultimately sits with the Board.
- The divisional Finance Directors responsible for the operation of finance functions have strong oversight of tax risks and how they are managed.
- Day to day responsibility for each of these areas sits with the Group Head of Tax.

Our Tax Governance Framework provides a formal structure to our risk management approach. Robust governance can only be achieved by engagement and communication with the business/divisions.

This is to ensure:

- accountabilities and responsibilities are understood by the business,
- document based evidence approach,

- uniform controls and protocols applied consistently across the business,
- a system of control monitoring and testing to check the effectiveness of controls,
- timely identification and communication of issues, and
- overall improved risk management.

2. Attitude towards tax planning:

Tax efficiencies are derived only where the transactions are aligned with commercial objectives and comply with the associated UK tax legislation and any tax planning entered into is done so according to both the letter of the law and intentions of the Parliament.

Professional advice is sought and internal risk assessment is undertaken on a transaction basis.

3. Level of risk:

We seek to comply fully with our regulatory and compliance obligations to ensure we act as a responsible corporate citizen and pay the right amount of tax at the right time.

Our detailed Tax Governance Framework ensures tax risks are managed within acceptable levels of tolerance set by management which also helps support our Senior Accounting Officer certification on ensuring appropriate tax accounting arrangements have been established and are maintained.

We have processes to ensure tax is considered as part of decision making process. We have relationships with professional advisers that allow us to seek expert advice on specialist and complex area of tax.

4. Approach towards dealings with HMRC:

We adopt honest, collaborative and professional relationships with HMRC at all times.

We maintain a regular dialogue with HMRC keeping them aware of significant transactions and changes in the business.

On compliance matters, we ensure all relevant disclosures are made in full with relevant information on all tax returns.