

## NUFFIELD HEALTH TAX STRATEGY

### 1. Introduction

- 1.1 This statement is Nuffield Health's UK tax strategy that is published to meet the requirements of the Finance Act 2016, Sch 19, Part 2, Para 22. The Strategy is for the financial year 2020 and was approved by the Board Audit and Risk Committee at their meeting on 8 December 2020.
- 1.2 Nuffield Health is one of the leading not-for-profit UK healthcare organisations. We run a network of hospitals, medical clinics, fitness and wellbeing clubs and diagnostic units across the UK and also support organisations in looking after their employees by operating their fitness and wellbeing facilities services.
- 1.3 The vast majority of the activities of the Nuffield Health Group are undertaken by Nuffield Health, which is a charity registered in both England and Wales, and Scotland.
- 1.4 The management of risk is paramount to the way Nuffield Health operates. This comes from its origin in the provision of medical services, where the control of clinical risk is a key component to the successful delivery of care.
- 1.5 The management of the tax risks are integrated into the wider risk management processes of the Group and ultimately the responsibility of the Board Audit & Risk Committee.
- 1.6 Ethical behaviour is one of the four elements of our values framework, and applies equally to our behaviour in relation to tax as much as to any of our other behaviours. Our values framework in relation to ethics states:  
"We are ethical, balancing customer and patient need with quality outcomes and sustainable results"
- 1.7 Our business ethics policy says:  
"We're committed to the highest standards of ethical conduct and integrity in all our business activities. It's our intention to conduct business in an honest way"
- 1.8 As a charity, Nuffield Health benefits from tax reliefs and as such it is important that these reliefs are applied where available to reduce cost and assist the delivery of our charitable activities.
- 1.9 We comply with tax law and the requirement to pay all taxes that are due on time.
- 1.10 As an organisation, Nuffield Health is open and honest with its patients and members. This is also the case in relation with our dealings with the tax authorities.

### 2 How tax risks are managed

- 2.1 Tax compliance and reporting is managed by the finance team with oversight from the Chief Finance Officer. The finance team has allocated responsibilities for tax processes and controls.
  - 2.2 Tax risks are regularly assessed and reviewed as part of the risk management process across the Group. Any individual may report perceived or actual tax risks using the Group's risk reporting processes or directly to the Head of Tax & Treasury.
  - 2.3 Tax risks are initially reviewed by the Finance Senior Leadership Team, and decisions are taken on the appropriate level of mitigation, taking into consideration the impact and likelihood of the risk happening. The responsibilities for managing the risks are assigned to the relevant people. Tax risks are reported to the quarterly Executive Audit and Risk Committee as part of its responsibilities to manage the Group's non-clinical risks, which in its turn reports to the Board Audit and Risk Committee.
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2.4 The risks are managed by:

- appropriate training of staff whose roles and responsibilities have an impact on tax compliance
- obtaining professional advice for complex issues and/or areas of uncertainty
- having proportional process and controls in place to ensure compliance with tax laws
- internal audit and external tax advisors periodically test the tax areas with high inherent risks
- working or liaising with the tax authorities where appropriate.

**3. Our attitude to tax planning**

- 3.1 All activities we undertake must have a charitable or business purpose. In undertaking transactions we will take tax into consideration in the same way as other costs and commercial factors.
- 3.2 As a charity we will access the relevant charity reliefs that are available in order to reduce our costs and further our charitable activities.
- 3.3 We will not consider nor put into place any arrangements that are contrived or artificial in order to obtain a tax advantage.

**4 The level of tax risk that we are prepared to accept**

- 4.1 The Nuffield Health Group's approach to tax risk is integrated into that of the Group. This involves assessing the inherent risk and seeking to manage these through proportional controls and other mitigating actions.
- 4.2 Both the Audit and Risk and Board Audit & Risk Committees are accountable for tax risks input into the Group's decision on what is an acceptable level of risk. The Board Audit & Risk Committee has the ultimate say on the acceptable level of risk and the actions to mitigate those risks.
- 4.3 Where there are uncertainties in relation to the understanding or interpretation of the tax legislation we will consider contacting HMRC in order to gain clarity or certainty on the tax position.

**5 Our approach to working with tax authorities**

- 5.1 Nuffield Health believes in constructing and maintaining a good relationship with the tax authorities, which involves engaging with the tax authorities in an open and honest way and informing them of significant changes in our activities.
- 5.2 Errors do occur and these will be corrected and, where required, reported to the tax authorities as soon as the full extent of the error is known.
- 5.3 Nuffield Health will endeavour to reach agreement with the tax authorities, in the event of a disagreement we will enter into dialogue with the view of reaching a mutually acceptable and agreed position.
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