

## **Four Seasons Health Care – Tax Strategy**

### **Scope**

This strategy applies to the Four Seasons Health Care group and all of its worldwide subsidiaries. For the purposes of paragraph 19 of Schedule 19 to the Finance Act 2016, the Four Seasons Health Care group is defined as Elli Capital Limited and all of its direct and indirect subsidiaries.

In this strategy, references to 'Four Seasons Health Care group' or 'the Group' are to all these entities. For the avoidance of doubt this includes the Four Seasons Health Care group incorporating the Four Seasons Health Care, The Huntercombe Group and brighterkind brands. The strategy is being published by Elli Finance (UK) Plc on behalf of the Group in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016 ('the Schedule').

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

### **Aim**

The Four Seasons Health Care group incorporates several UK care home brands and is proud of its strong reputation as a responsible corporate citizen and its role in the wider community. This is reflected in the awards the Group and its employees have won, and also in the Group's published Vision and Values.

The Four Seasons Health Care group's approach to tax risk management is aligned to the culture embodied within the Vision and Values and the Group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with the Group's overall high standards of governance.

### **Governance in relation to UK taxation**

- Ultimate responsibility for the Four Seasons Health Care Group's tax strategy and compliance rests with the Board of Elli Finance (UK) Plc (the 'Board');
- The Chief Financial Officer ('CFO') is responsible for approving the tax returns and overseeing tax governance for the Four Seasons Health Care business and core group companies, and the Finance Directors ('FDs') of The Huntercombe Group and brighterkind are responsible for approving the tax returns and overseeing tax governance for their respective businesses;
- Day-to-day management of the Group's tax affairs is delegated to the Head of Tax, an experienced tax specialist and Chartered Tax Advisor;
- The Head of Tax, together with the Payroll team, prepares the majority of the Group's tax returns, seeking advice from external advisors where needed and has put in place processes and controls regarding the preparation of these returns;
- The Head of Tax reports, via the CFO, to the Board and the Audit Committee on the Group's tax affairs and risks during the year.

## **Risk Management**

The Group's Head of Tax is responsible for assessing and managing tax risk within the business. As part of this the Head of Tax maintains regular contact with other areas of the business whose activities may have tax implications and in particular works closely with the Payroll team, seeking advice from external advisers where appropriate:

- The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- As part of this process, the Group has a system of tax risk assessment and controls as a component of the overall financial control framework used by the Group;
- Key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- The Head of Tax keeps up to date with legislative developments by undertaking regular training in line with professional requirements;
- Appropriate training is provided for staff who manage or process matters which have tax implications.

## **Attitude towards tax planning and level of risk**

The Four Seasons Health Care group manages risks to ensure compliance with legal requirements in a manner which makes sure the right amount of tax is paid at the right time.

When entering into commercial transactions, the Group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. The Group does not undertake tax planning unrelated to commercial transactions.

The level of risk which the Four Seasons Health Care group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. This includes discussing key transactions with HMRC and obtaining HMRC's agreement (where appropriate) in advance of the tax treatment to be adopted.

At all times the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board, supported by the Head of Tax, is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

## **Relationship with HMRC**

The Group seeks to have a transparent and constructive relationship with HMRC through communication in respect of developments in the business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

The Group's Head of Tax is in regular contact with the Group's Customer Relationship Manager at HMRC keeping them aware of financial results announcements and significant transactions and developments in the business. When submitting tax returns to HMRC the Group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

This policy has been reviewed and approved by the Board

December 2018