



Group tax strategy

This document was reviewed and approved by Notting Hill Genesis Group Board at its meeting on 24 March 2021. The strategy sets out NHG Group's general tax arrangements and covers:

- Policy and approach to tax risk management
- Tax planning
- Working relationship with HMRC

At the date of the Strategy document publication, the NHG Group remains in compliance with its duty under Section 161 and Paragraph 16(2) Schedule 19 of Finance Act 2016 in respect of the year ended 31 March 2020.

Introduction

NHG was formed in 2018 following the merger of Notting Hill Housing Trust and Genesis Housing Association which were established to provide affordable social housing primarily within London.

The NHG Group generates the majority of its income from social housing lettings and other social housing activities such as shared ownership sales and provision of care and support. It also generates income from non-social housing lettings including market and commercial rent and the provision of student accommodation. Turnover from non-social housing activities relates primarily to open market property sales and land parcels for house building.

NHG has been recognised by HMRC as a charity for tax purposes and therefore benefits from tax exemption on certain sources of income and gains, providing such income and gains are applied for charitable purposes only. The non-charitable companies in the NHG Group are within the charge for Corporation Tax on their activities.

Further information about the NHG Group can be accessed here: www.nhg.org.uk/about-us/

Tax Planning

The NHG Group believes in its obligation to pay the right amount of UK tax in accordance with the legislative provisions and guidance issued by HMRC, but also seeks to be efficient with its tax affairs. The NHG Group's appetite for risk is low, and it does not engage in tax planning that is not aligned to meeting its charitable purpose.

The tax strategy of the NHG Group is driven by simplicity, transparency and ensuring that the tax reliefs, allowances and tax exemptions to which the Group is properly entitled are claimed in the manner intended by statute. All tax planning is built on sound commercial business activity; the NHG Group does not believe in using artificial tax arrangements to take advantage of legal but essentially questionable loop holes in tax legislation.

Due consideration is given to NHG Group's reputation, brand, corporate and social responsibilities when considering tax planning, as well as the fiduciary duties of the Group Board, Executive team and employees of the NHG Group. In circumstances where tax uncertainty is identified or where it is considered that there is insufficient internal expertise, the NHG Group will seek external advice to assist with resolving the uncertainty before applying the correct tax treatment.

Governance and Tax Risk Management

The Chief Financial Officer has overall responsibility for the management of the NHG Group's tax affairs, including the submission of accurate tax returns on a timely basis as required. The day to day management of NHG Group's UK tax affairs is provided by the in-house tax team who hold a combination of tax/accounting qualifications and sit within NHG's Financial Services function which reports to the Financial Services Director. The Financial Services Director is appointed Senior Accounting Officer for the relevant entities within the NHG Group.

The NHG Group recognises that eliminating tax risks entirely is impossible, therefore the Group seeks to reduce the level of tax risk arising from its operations as far is practically reasonable by implementing various internal tools for the business to follow.

Processes, activities and transactions in relation to different taxes, and the controls relating to them, are reviewed by the tax team to identify key tax risks. Key risks are reviewed periodically in with changes in business and legislation, and inform updates to processes and controls accordingly. By regularly reviewing its tax affairs and tax risk management procedures, the NHG Group ensures that its tax strategy continues to be aligned with its overall business strategy and governance framework.

Working with HMRC

The NHG Group is committed to providing transparent, collaborative and positive working relationship with HMRC, and values the on-going dialogue with its HMRC Customer Compliance Manager. This allows NHG to engage with HMRC at an early stage of any significant transactions and/or changes in the business that may have significant tax implications.

The NHG Group adopts a proactive approach concerning all tax and ensures appropriate disclosures are made to HMRC as soon as practicable in the event of any inadvertent errors concerning being identified.