



PHS Tax Strategy – updated March 2020

This document sets out the tax strategy for PHS Group Investments Limited and its subsidiaries (“PHS”) and will be subject to regular review. The document will be changed as required, but the nature of the document means that it will most likely not change frequently.

PHS currently operates in the UK, Ireland and Spain and this document is intended to cover all the territories in which we operate.

1. Approach to risk management and governance arrangements in relation to UK taxation

Taxation policy within PHS is primarily the responsibility of the Chief Financial Officer with support from suitably trained senior members of the finance team. We do not have a separate taxation team but seek advice from professional taxation advisers where required given the complex and dynamic nature of tax law.

The Board, acting through the Audit Committee, has overall responsibility for managing risk across PHS and this includes managing all taxation issues.

In the UK, our largest territory, we adhere to the Senior Accounting Officer rules, which requires the Chief Financial Officer to confirm to HMRC each year that the UK companies of PHS had appropriate tax accounting arrangements.

Our aim is to ensure that we have appropriate controls and processes in place to comply with all relevant tax laws and regulations and pay the right amount of tax as it falls due. Like many companies, we consider the taxation implications during the ordinary course of business with a view to maximising value for our shareholders.

2. Attitude of PHS towards tax planning

Our taxation affairs are managed to ensure that we pay the right amount of tax in full and on time.

PHS’s attitude towards tax planning is consistent with the CBI statement of tax principles (<https://www.cbi.org.uk/media/3710/2018-02-07-statement-of-tax-principles.pdf>). We will only engage in reasonable tax planning that is aligned to commercial and economic activity and does not lead to an abusive result.

PHS will claim all tax allowances, exemptions and incentives to which it is entitled and which were specifically intended by tax law, for example, capital allowances and allowable interest deductions.

Where there are a number of ways to carry out a commercial transaction, PHS will choose the alternative which achieves the commercial aims of the business with the lowest tax cost based on a reasonable interpretation of the law.

Where there is uncertainty around the interpretation of tax law the PHS Group will seek to resolve the uncertainty by establishing its own view of the legislation and discussing the position with HMRC, including applying for formal clearance where applicable.

3. Level of risk in relation to UK taxation that PHS is willing to accept

Our overall appetite for tax risk is low, but we understand that there is inevitably a level of taxation risk when running a group which operates across a number of territories but we do not set an 'acceptable' level tax risk.

Where we perceive an increased level of inherent risk, we require a higher level of assurance in order to mitigate that risk; this includes seeking professional advice from external advisers and obtaining the relevant clearance directly from HMRC.

4. Approach of PHS towards dealing with HMRC

PHS's approach towards dealing with HMRC is consistent with the CBI statement of tax principles.

In the UK, we liaise with our HMRC Customer Compliance Manager on a regular basis and aim to work together in an open and transparent manner, providing HMRC with all relevant information required for them to review possible tax risks.

We work collaboratively to reach agreement on any disputes which arise in the ordinary course of business and ensure any transaction for which the tax treatment is uncertain is clearly disclosed. If we identify an error in a past tax return we aim to make a full and timely disclosure to HMRC. If HMRC open an enquiry into a past tax return we aim to provide a full and timely reply to HMRC. We aim to resolve all issues through discussion with HMRC wherever possible.

We regard the publication of this document as complying with our duty under paragraph 16(2), Schedule 19 of the Finance Act 2016. The PHS tax strategy will be published on annual basis.

Colin Thomas

Colin Thomas
Chief Financial Officer
PHS Group
www.phs.co.uk
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