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## **TAX STRATEGY**

### **March 2019**

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#### **Introduction**

The Anchor Hanover Group ('Anchor Hanover') consists of Anchor Hanover Group, a Community Benefit Society, and all its subsidiary companies. A list of entities to which this tax strategy applies is set out below.

Anchor Hanover is England's largest not-for-profit provider of housing and care for older people. Our ambition is to be recognised by customers as the best provider of housing and care services, and to grow the business by using our financial strength to offer happy living to more older people.

Anchor Hanover is subject to a number of tax regimes including corporation tax, indirect taxes (such as VAT, landfill tax, Machine Game Duty), employee taxes (such as PAYE, NI, CIS) and stamp duty land tax.

#### **Risk Management and Governance**

Anchor Hanover's Board of Directors has ultimate responsibility for the group's tax strategy and compliance, with the Finance Director presenting the strategy to the Audit and Risk Committee on an annual basis. The Finance team is responsible for the administration and accounting of all taxes within Anchor Hanover. The areas of tax risk managed by the business are subject to continuous review by the Head of Tax and Treasury.

All staff involved in the tax accounting processes are trained in the tax related aspects of their roles and the competence of other teams within Anchor Hanover is ensured via tax training in accordance with the nature of their roles. Appropriate external advice, including Tax Counsel opinion where relevant, is obtained as necessary.

In line with HMRC best practice, and as part of the overall internal control framework, Anchor maintains a formal tax risk register which describes and assesses tax risks, and the controls that are in place to mitigate them, in a consistent and formal manner.

Anchor Hanover is independently audited annually, and tax accounting will be audited in accordance with this process. In addition, Anchor Hanover's Internal Audit function independently reports on the effectiveness of Anchor Hanover's internal controls in managing risk.

## **Attitude to tax planning**

Anchor Hanover aims to maintain their reputation as a fair contributor to the UK economy and apply all tax rules in good faith and in the spirit of the law.

Anchor Hanover strives to ensure that transactions are structured in a tax efficient manner such that any tax exposure is minimised and tax recovery is maximised in line with prevailing tax legislation. Anchor Hanover will not undertake any tax planning initiatives which may be deemed aggressive or unacceptable by HMRC.

External tax advisers are used to assist with operational change, exceptional items, and large and complex transactions and areas of the business.

## **Working with HMRC**

Anchor Hanover seeks to maintain an open, honest and constructive relationship with HMRC through regular meetings and communication, aiming to work in 'partnership' with them.

Anchor Hanover ensures that HMRC is made aware of any significant transactions or changes to the business, and seeks to discuss any tax issues arising at an early stage. When making submissions to HMRC, Anchor Hanover discloses all relevant information, and any inadvertent errors are fully disclosed as soon as reasonably practicable after they are identified.

## **List of companies to which this tax strategy applies**

- Anchor Hanover Group
- Anchor Lifestyle Developments Limited
- Anchor 2020 Limited
- Hanover Housing Limited
- Hanover Housing Development Limited
- Anchor Carehomes Group Limited
- Anchor Carehomes Limited
- Anchor Carehomes (Number One) Limited
- Anchor Carehomes (Number Two) Limited
- Anchor Carehomes (Four) Limited
- Anchor Carehomes (Five) Limited
- Anchor Carehomes (Leeds) Limited
- Anchor Carehomes (Hyde) Limited
- Anchor Carehomes (North East) Limited
- Anchor Carehomes (North West) Limited
- Cavendish Healthcare (UK) Limited
- Carefore Homes Limited
- R&J Investments Limited
- Anchor Trust Trading Limited
- Rain Healthcare Services Limited
- ASMA Retirement Homes Limited

When this takes effect: March 2019  
When it will be reviewed: March 2020