

Group tax policy
Year ended 30 September 2017

This tax governance policy sets out how BMI Healthcare Limited (“BMI”) and the other companies in the GHG 1 (Hospital Operations) Limited group of companies (“the Group”) approach the conduct of their tax affairs. This policy sets out the tax strategy as determined by the Chief Financial Officer and approved by the Board.

1. Management of our tax affairs

The Group’s strategic objective in respect of taxation is to seek to promote the medium and long-term success of BMI and deliver sustainable shareholder value whilst being committed to complying with legal requirements to administer and pay the required amount of tax in the UK. It is important to us that tax compliance and reporting is managed in a responsible and transparent manner by maintaining an open and collaborative relationship with the tax authorities. In structuring our commercial and financing activities, we seek to utilize reliefs and incentives available. This will have full regard for the tax legislation in the UK and be driven by commercial and economic substance not artificial tax arrangements.

2. Risk Management

We are aware that we cannot eliminate all tax risks arising from the interpretation of tax law and the adherence to our tax obligations. However, in order to minimize our exposure, we endeavour to identify, evaluate and monitor these risks in order to manage them as effectively as possible through the implementation of internal controls. Where there is uncertainty in how relevant tax law should be applied, specialist external advice may be sought to support the Group’s decision making process.

3. Tax planning

As a responsible corporate citizen, BMI seeks to balance commercial imperatives with strategic decisions. Therefore tax management will focus on value creation through improving tax efficiency. Any tax planning implemented will support genuine commercial activity. The Group adopts a balanced approach in its tax planning, pursuing only those initiatives that it is prepared to fully disclose to the tax authorities and complying fully with the relevant UK legal and tax obligations.

4. Relationship with HMRC

We strive to engage in and maintain a good, open and professional relationship with HMRC. In consideration of the amount of care taken in forming opinions on the tax implications of any commercial activity, we may protect the Group’s interests, if our tax authority takes a different view, by taking the matter to litigation. This would only be done in circumstances where agreement could not be reached by active and open engagement. The Group will always be interested in shaping future tax legislation in ways that balance the Group’s interest with those of the relevant authority or policy.

GHG 1 (Hospital Operations) Ltd and group companies regard this publication as complying with the duty under para 16(2) and para 25(1), Sch 19 FA16.