

TAX STRATEGY

Scope

The following sets out the tax strategy adopted by Churchill Retirement plc and all of its subsidiary companies (together 'Churchill Retirement' or the 'Group') for the financial year to 30 June 2024. This tax strategy was approved by the Board of Churchill Retirement Plc on 1 July 2023 and has been published in accordance with paragraph 16(2), Schedule 19 of the Finance Act 2016.

The taxes that are considered to be covered by our tax strategy are set out in paragraph 15(1), Schedule 19 of Finance Act 2016. These include (but are not limited to) income taxes, corporation tax, VAT and property taxes.

Key Principles

In line with our business strategy and approach, the key principles underpinning the Group's tax strategy are:

- Compliance with tax laws and regulations;
- Maximisation of sustainable shareholder value;
- Reputational protection; and
- An open and transparent relationship with HMRC.

Our approach to tax governance and tax risk management

Ownership of the Group tax strategy, in line with the wider business strategy, rests with the Plc Board.

Overall responsibility for oversight of the tax affairs of the Group is delegated to the Chief Financial Officer, who is also the Senior Accounting Officer for the Group.

Tax risks are managed through the following robust controls and procedures:

- A risk management framework: this has been implemented across the Group to identify, monitor and manage key business risks, including tax;
- An assurance programme, supported by input from our Internal Audit function: this is in place to ascertain whether the operational and financial controls around key business risks are operating effectively;
- Accounting & tax reporting systems: significant investment is made in accounting and tax reporting systems which are used across all divisions in the Group;
- Qualified specialist resources: day-to-day management of the Group's tax affairs is dealt with by a central in-house finance department of qualified professionals with responsibilities for this delegated to the Director of Financial Control who reports directly to the Chief Financial Officer. The finance team and relevant operating functions adhere to the tax policies and processes in place. The Chief Financial Officer meets with the Director of Financial Control on a regular basis (usually monthly) to ensure that key issues are discussed and tax risks and controls are regularly reviewed. Any major issues are then raised with the Board by the Chief Financial Officer as appropriate. The Risk & Audit Committee also receives an annual update on the tax position of the Group; and

- Specialist advisers: as the Group does not have its own in-house tax function, the company is supported by specialist tax advisors who are appropriately qualified specialists when dealing with day to day tax queries along with any material, higher risk or complex issues.

Risk appetite

Churchill Retirement has a low risk approach to tax matters and aims to retain a low risk status with HMRC.

Tax risks are assessed on a case by case basis, ensuring that decisions involving tax are made with due regard to reputational, regulatory and legislative considerations. Churchill Retirement is not prepared to accept a level of risk that could adversely impact its integrity or the Group's relationship with HMRC.

The Group's attitude towards tax planning

Churchill Retirement engages in appropriate tax planning that supports its business and reflects commercial and economic activity.

We believe that it is our responsibility to pay all amounts of tax which are legally due on the correct date and ensure that all tax returns are filed with HMRC by the due date and in the correct form.

We also have a responsibility to our stakeholders, including our shareholders and employees, to ensure that we do not incur unnecessary tax costs while meeting the Group's commercial objectives. Where commercial transactions are being entered into, Churchill Retirement will, therefore, when it is deemed responsible and appropriate to do so, seek to minimise its tax liabilities by taking advantage of available tax claims, elections and reliefs. However, the Group has not and will not undertake transactions where the sole purpose is to create a tax benefit which is in excess of what is reasonably understood to be intended by the relevant tax legislation.

We will seek external tax advice in certain situations, for example:

- in respect of large, one-off transactions to ensure that we do not suffer any unforeseen or unreasonable tax outcomes;
- in areas where we may have insufficient internal expertise; and
- as a second opinion in cases where we believe there is uncertainty with respect to the application of tax law, although we may also approach HMRC directly, to seek clarity or obtain clearance.

All of the profits of the Group are within the scope of UK corporation tax and the Group does not have a target effective tax rate.

Our approach to working with HMRC

Churchill Retirement Living seeks to ensure that our engagement with HMRC is professional, open and honest, and undertaken in the spirit of cooperation. We aim to make fair, accurate and timely disclosure of all relevant tax returns and correspondence.

We take a proactive approach and take appropriate action in the event that we discover tax-related errors or omissions, disclosing to HMRC, implementing remediation as quickly as is reasonably achievable and putting in place measures and controls to prevent recurrence.