



Spire Healthcare

2023

Spire Healthcare's
tax strategy



Looking after you.



Foreword from Jitesh Sodha, Chief Financial Officer

Spire Healthcare strives to make a positive difference to people's lives

Spire Healthcare ('Spire') is a leading independent hospital group operating in the United Kingdom. Our Purpose statement: 'Making a positive difference to people's lives through outstanding personalised care' reflects the wide reach of our strategy and defines how we do business. Our Vision is to be the go-to healthcare brand, famous for the clinical quality and care that we deliver. Our business strategy looks to maximise the opportunity to provide outstanding personalised care to more people and in a wider range of settings, being involved in people's healthcare across pre- and post-hospitalised care. Our strategy also considers the impact we have as providers of healthcare in the community, including the outreach and charity work we do, and considers our environmental impact – we are committed to being carbon zero by 2030.

Our purpose comprises three main areas: caring, conscience and ownership, and these tenets are reflected in our tax strategy.

Spire cares about the wider implications of paying the right amount of tax at the right time. Taxes paid by businesses and people help fund vital services, including the NHS, which benefit us all. Spire cares about making a positive difference and is committed to a tax strategy that achieves this in line with our business goals. We take ownership of our tax affairs by ensuring an open and transparent relationship with HMRC.

Spire has a strong culture of compliance which is reflected at all levels of the business. We believe it is the responsibility of all Board Members, staff and representatives of Spire to ensure compliance with all applicable laws, including competition law, anti-bribery law, anti-tax evasion facilitation law, healthcare regulations and data protection law.

We comply with the letter and the spirit of the law to ensure that Spire is supporting the people and communities it is a part of.

Jitesh Sodha
Chief Financial Officer
Spire Healthcare Group plc

Our tax strategy – underpinned by key principals

Our tax strategy is designed to be sustainable over the long term and is underpinned by the same key values which define our behaviours.

Caring is our passion

We comply with the letter and spirit of the law

- Pay the correct amount of tax at the right time
- Utilise available incentives in line with the law
- Communicate and collaborate with the business and stakeholders

Doing the right thing

We adopt a conservative approach and strong governance

- Maintain our strong governance structure with the Audit & Risk Committee having oversight of any key tax matters
- Continue to educate the wider business on relevant tax aspects
- Consider tax within business structuring without positioning tax as the driving factor

Delivering on our promises

We ensure accurate and timely filings

- Comply with all deadlines
- Work collaboratively with HMRC to ensure an open and transparent relationship

We fully engage with HMRC and other stakeholders

- Continue to adopt a holistic approach through engagement with the business
- Actively communicate to keep HMRC abreast of changes in the business

Spire Healthcare Group – tax strategy

We seek to comply with all tax legislation requirements at all times

We will strive to operate in a tax efficient manner, but in accordance with our values and purpose. Spire believes in paying the correct amount of tax at the right time. Spire seeks to act with integrity and comply with both the letter and the spirit of relevant laws, rules, regulations and disclosure requirements.

Tax is managed in a manner consistent with any other business expense. Spire will seek to utilise incentives and reliefs available, as introduced by the Government to encourage investment, and will do so in accordance with the spirit of applicable laws. Whilst the Group has a responsibility to its shareholders to deliver value, it also recognises its broader, social responsibilities to pay the right amount of tax at the right time.

Spire believes engagement with the business at all levels is key as all associated persons have a part to play in managing tax risk. Where someone believes there is a risk, we encourage communication to allow the position to be assessed accordingly. This process is in keeping with the wider group ethos on full disclosure through our network of Freedom to Speak Up Guardians.

We are accurate and timely with tax filings and support our tax position

The Group aims to meet all deadlines, with accurate and timely filings and payment of any tax owed. If an error is discovered, Spire will take ownership and rectify the matter as quickly as possible, working collaboratively with HMRC. Where a material position is taken, the Group supports its stance by seeking external advice and ensuring appropriate documentation is held.

The tax team monitors and complies with any changes in tax law and practice, and communicates relevant matters to the business.

It ensures the processes followed allow for efficient and accurate filings with HMRC. The Group seeks continuous improvement and the tax team stays up to date with the latest industry standards to fully support the stance taken on tax matters.

Spire has a low appetite for tax risk and has a Low Risk relationship with HMRC. The Group also seeks to obtain certainty on any transactional tax risk by taking appropriate external advice, if the position is not free from doubt, it is discussed with HMRC at an early stage with a view to seeking clarity on the tax position. Spire takes an active approach to risk management, including the maintenance of a risk register, proactive engagement with the Board through periodic reporting to the Audit and Risk Committee. The Senior Accounting Officer is a member of both the Audit and Risk Committee, and the Board. As a result of the governance, there is a clear path for escalation if required.

The Group regularly updates HMRC on the changes in the business and provides updates on key tax projects. We have completed our annual Business Risk Review, confirming a risk rating no higher than 'moderate'.

We adopt a conservative approach to tax risk management and apply a strong tax governance framework

The Group aims to minimise risk and uncertainty through compliance with its legal obligations. Spire does not use tax havens to avoid tax.

Tax affairs are managed on a day-to-day basis by the tax team in a manner which takes into account the Group's reputation and wider corporate responsibilities, and the Group's commitment to strict corporate governance.

The group takes an active approach to risk management, including the maintenance of a risk register, proactive engagement with the Executive Committee and periodic reporting to the Audit and Risk Committee.

Tax is considered a key area of review for commercial and strategic transactions, but is not considered the driving factor for decision making. External specialist advice can be sought, as required, to ensure risks are identified and appropriately mitigated where possible. Where there is significant uncertainty, the Group may seek to engage with HMRC. In a year of many challenges, this risk management and tax consideration has been important to ensure the risk profile remains appropriate to the circumstances Spire was faced with.

We engage fully and transparently with HMRC and other stakeholders

Spire’s purpose and core values drive how we engage with our stakeholders, seeking to instil an open and honest culture. The management and communication of tax is no different. We work responsibly to make a positive difference

Tax contributions

£1,198.5m
Group revenue (FY22)

2021: £1,106.2m

£109.2m
Total tax contribution¹

2021: £149.6m

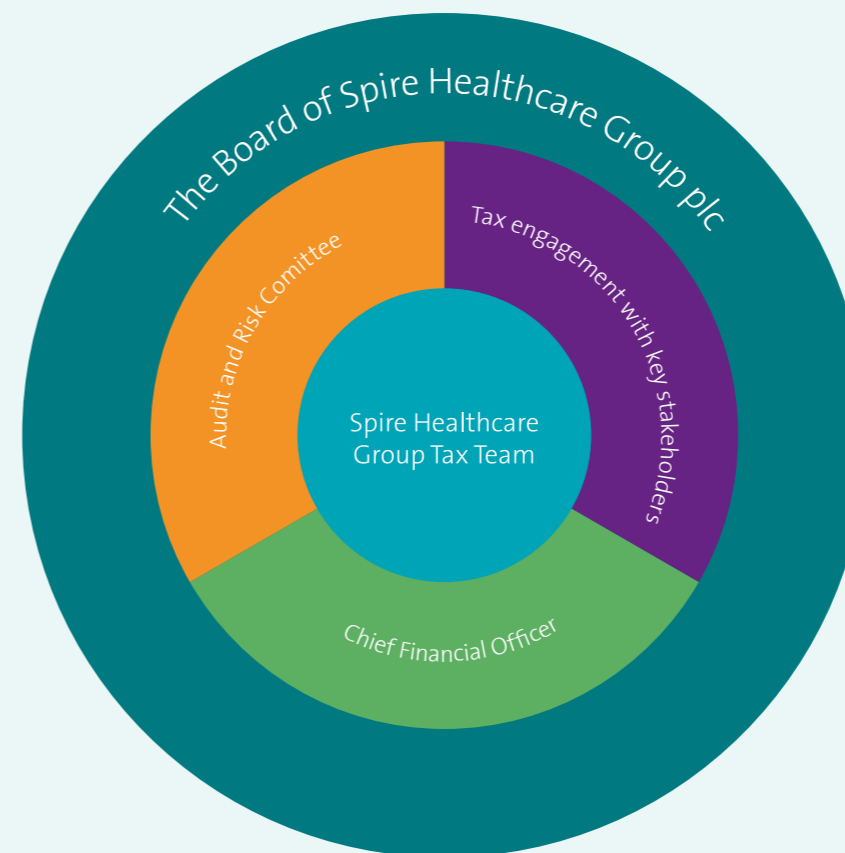
£3.9m
Profit before tax

2021: Loss £1.9m

1. Total tax contributions includes employment taxes collected and employers contributions for the tax year, input tax suffered with no corresponding recovery and taxes paid on profits paid.

This tax strategy is reviewed periodically and at least annually. This Strategy applies for the financial year ending 31 December 2023 and covers Spire Healthcare Group plc, and all its subsidiary companies. The Strategy is published to comply with the duty under paragraph 16(2), Schedule 19 of the Finance Act 2016.

Our tax risk management and governance



The Board of Spire Healthcare Group plc
Ultimate responsibility of the Group’s approach to tax

Chief Financial Officer
Reports to the Board alongside the Audit and Risk Committee. Responsible for the Group’s approach to tax and acting Senior Accounting Officer - Harbant Samra

Audit and Risk Committee
A sub-committee of the Board – receive periodic updates from the Head of Tax and Deputy CFO

Tax engagement with key stakeholder
Regular engagement with key internal stakeholders, including Legal, HR and Risk

Spire Healthcare Group Tax Team
Responsible for the day-to-day management and takes an active approach to education of the wider business and risk management

Spire takes an active approach to risk management, including the maintenance of a risk register, proactive engagement with the Board through periodic reporting to the Audit and Risk Committee. The Senior Accounting Officer is a member of both the Audit and Risk Committee, and the Executive Committee. As a result of the governance, there is a clear path for escalation if required.

Since the publication of the Group’s 2021 tax strategy, the Group has engaged with HMRC on a number of areas, and continued to update on any key changes in the business.



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