



Spire Healthcare

2022

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 in the United Kingdom. In 2022 we made a small but important change to our Purpose from 'Making a positive difference to patients' lives' to 'Making a positive difference to people's lives' to reflect the wider reach of our strategy. Our business strategy looks at the impact we have on people: on patient's lives before and after they come to Spire and on making sure our staff have a positive experience in the workplace. Our strategy also considers the impact we have as providers of healthcare in the community, as well as our outreach and charity work which we do in our communities. Finally our wider strategy also takes into account our environmental impact – we have committed to being carbon zero by 2030.

Our purpose comprises of three main areas: caring, conscience and ownership. This approach continues to be 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 are a benefit to 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. This is in line with our stance on compliance more generally.

We have a strong culture of compliance which applies at all levels of the business. Spire considers that it is the responsibility of all Board Members, staff and representatives of Spire, at all levels, 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 passage of time and is underpinned by key principals which are driven by our purpose. This means we will:

- Care**
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**Have a conscience when dealing with our tax affairs**
We take a conservative approach with 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 of tax aspects which may impact them
 - Consider tax within business structuring without tax being the driving factor
- Take ownership**
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, both within the letter and spirit of the law

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

Tax is managed in line with any other business expense. Spire will seek to minimise any overpayment of taxes, but only where it is in line with incentives and reliefs available (as introduced by the Government to encourage investment) under and in accordance with the spirit of the law.

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 seeks to comply with all deadlines, with accurate and timely filings and payment of liabilities. Where errors are discovered, Spire will take ownership and aim to rectify these as quickly as possible, alerting and working collaboratively with HMRC where appropriate. Where any material positions are taken, the Group supports their stance by ensuring appropriate documentation is kept and advice is sought where necessary.

The tax team monitors and complies with any changes in tax law and practice, and educates the business of relevant impacts to them. It ensures its processes allow for efficient and accurate filings with HMRC. The Group seeks continuous improvement of its processes and the tax team stays up to date with the latest industry issues to support the stance it takes on tax matters.

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

The Group ensures that through compliance with its legal obligations it minimises risks and uncertainty. The Group 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 wider corporate responsibility and reputation; along with the Group’s commitment to the highest standards of 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

The core values and our purpose drive how Spire operates with its 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 not only patients and our workforce, but also the people in the communities we work in and the wider environment. The tax team is part of the finance function to allow an in-depth understanding of key financial transactions, and allow for risks to be identified proactively. In addition, the relationship with other internal central functions, e.g. HR, legal and treasury, as well as the hospital teams, are fundamental for a holistic approach to risk to be taken. The tax team feeds through the wider

Finance Director group to the hospitals, offering training sessions and are available as the main point of contact for all tax matters. An intranet page is available for the wider workforce to view and ensure that all internal colleagues are able to view updates from the Tax team. It is important for the Group to drive shareholder value; therefore maximising the use of available tax reliefs and incentives as appropriate, and minimising uncertainty supports this goal. Spire is focussed on delivering on its commitments. Spire takes the same approach with HMRC, actively keeping them abreast of significant changes in the Group. Spire engages openly with HMRC through the Business Risk Review process, and also seeks to understand how the Group can continue to drive down its risk rating, in line with its ambition for continuous improvement.

Tax contributions

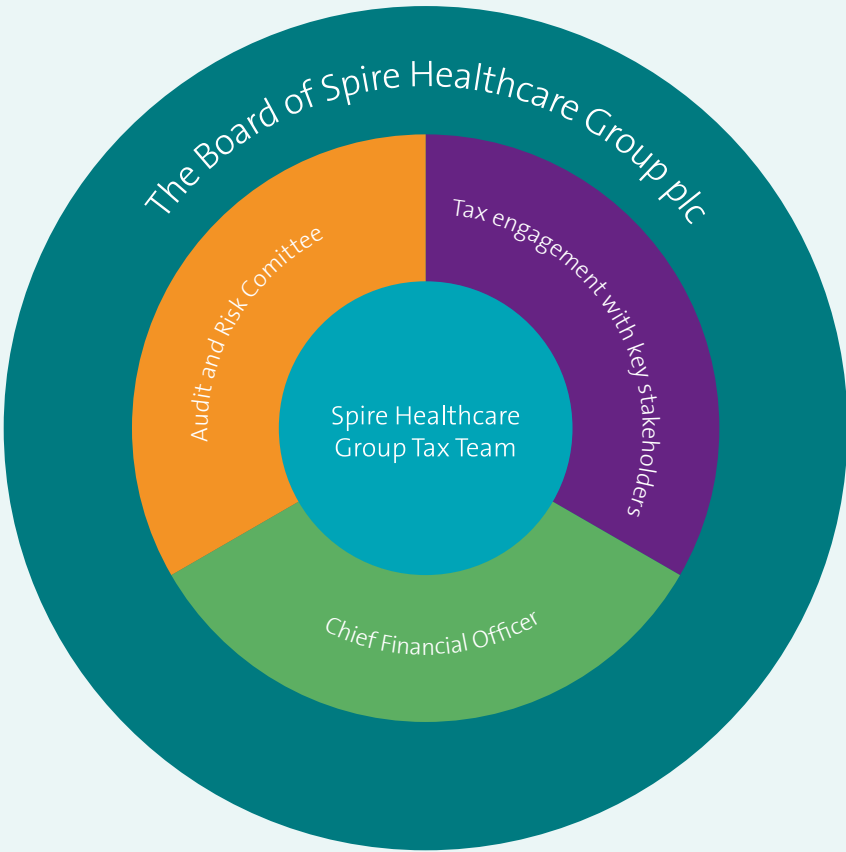
£1,106.2m	£149.6m	£1.9m
Group revenue (FY21)	Total tax contribution¹	Loss before tax²
2020: £919.9m	2020: £131.6m	2020: £231.0m

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, at least annually. This Strategy applies for the financial year ending 31 December 2022, 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.

2. Loss before tax of £1.9m due to trading in a Covid environment. Prior year loss of £231.0m was after £200m one-off non-cash impairment to Goodwill.

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.



Spire Healthcare

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