

Tax Strategy

Year ended 31 July 2018

Introduction

The purpose of this document is to set out Sheffield Hallam University's policy and approach to its tax affairs, managing tax risk and ensuring that the risk of non-compliance is mitigated and minimised. The document covers the University and all of its subsidiaries (listed in appendix 1).

Governance

The Board of Governors have delegated responsibility for ensuring the appropriate management and implementation of the University tax strategy to the Audit and Risk Committee. In practice, this is delegated to the Finance and Planning Directorate with oversight by the Audit and Risk Committee.

The Chief Finance and Planning Officer is responsible for advising the University, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues. Therefore the Chief Finance and Planning Officer will issue instructions to Faculties/Directorates on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax, overseas taxes and import duty.

The Chief Finance and Planning Officer is responsible for the University's Tax Strategy. The Strategy will be reviewed annually and updated to reflect the changing and emerging risks and approved by the Audit and Risk Committee.

The Chief Finance and Planning Officer is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Tax Policy

The University is committed to ensuring it conducts its tax affairs in line with ethical and professional standards and that its tax strategy is consistent with the University's Strategy and values.

The University will ensure it is fully compliant with all tax laws, regulations and reporting requirements both in the UK and any other jurisdictions it operates in.

The University will apply diligence and care to the management of risks associated with tax matters and ensure that strong and reliable governance, systems and controls are in place.

The University's approach is to be prudent and conservative with tax planning and apply a generally cautious approach to tax risk.

The University seeks to have a transparent and constructive relationship with HMRC, based on integrity, collaboration and mutual trust.

Risk Management

The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health and reputation, by making a commitment to allocate resources to address areas of high exposure.

The Chief Finance and Planning Officer has responsibility for the tax affairs of the University. The Financial Accounts Team assists the Chief Finance and Planning Officer to manage the tax affairs of the University.

The relevant members of the Financial Accounts Team ensure they keep up to date with relevant tax regulations through the use of the British Finance Directors Group updates, training and guidance and alerts from professional advisors.

The Financial Accounts Team liaises with colleagues within the sector to ensure the University maintains best sector practice.

The University has appointed professional tax advisors and the Financial Accounts team have access to a helpline provided by the advisors, as well as the ability to engage them to provide more substantial pieces of work. The advisors will be used wherever there is a more complex or contentious tax issue.

The University adopts a risk based approach to tax management which ensures that all significant tax risks are identified, quantified by reference to value and qualified by reference to occurrence and that appropriate, proportional controls are put in place, documented and maintained.

The University's appetite to risk is determined on an activity basis such that risks are taken in a controlled manner with a generally cautious approach to risk.

Internal control processes and procedures across the University exist with the aim of ensuring that information and underlying documentation for tax returns and submissions are accurate and complete. Tax returns and submissions are subject to appropriate levels of review prior to their submission.

Tax Planning

The University's approach to tax planning is conservative. The University will make use of available incentives and reliefs to minimise the tax cost of its activities to retain more funds to further our strategic aims.

The University will not enter into transactions where the main purpose is to gain a tax advantage or intentionally interpret tax laws and legislations to obtain a tax advantage that is not considered to be within the spirit of the legislation.

The university aims to pay the right amount of tax legally due both in the UK and overseas. In circumstances where this is not clearly defined or where alternative interpretations or applications of tax law might result in different tax outcomes, the University will apply best judgement to determine the appropriate course of action. This will usually involve seeking advice from external professional advisors.

Relationship with HM Revenue & Customs "HMRC"

The University seeks to have a transparent and constructive relationship with HMRC. All dealings will be conducted professionally, courteously and collaboratively. The University's aim is to meet all its statutory and legislative tax requirements.

As part of this the University's Financial Accounts Team will:

- Be proactive, open and honest in our dialogue with HMRC if we become aware of any tax issues.
- Provide a prompt response to any requests for information from HMRC and ensure that all their requests are actioned.
- Where appropriate enter into dialogue with HMRC with regard to items of contention or where the correct treatment is uncertain.
- Regularly review dispensations and partial exemption methods with HMRC.
- Respond to Consultations as appropriate, either directly with HMRC or via the University Sector representative association, BUFDG.

APPENDIX 1

Subsidiaries of Sheffield Hallam University

Sheffield Hallam University Enterprises Limited
Sheffield Hallam Innovation and Enterprise Limited
Collegiate Properties Limited
Sheffield Institute of Technology Limited
Sheffield Institute of Advanced Technology Limited
SHU Law Limited