

# Southern Housing Tax Strategy

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Published in accordance with Paragraph 16(2), Schedule 19 Finance Act 2016 for the year ended March 2027.

Southern Housing is committed to responsible, transparent tax management. We comply with all applicable laws, maintain robust governance and controls, engage co-operatively with HMRC, and use reliefs and incentives in line with legislative intent. Our risk appetite is low, and we seek timely certainty on complex matters.

## Introduction

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This document sets out Southern Housing's approach to tax governance and risk management across all relevant tax areas, including:

- ◆ VAT
- ◆ Corporation Tax
- ◆ Stamp Duty Land Tax
- ◆ Employee taxes (including National Insurance)
- ◆ Construction Industry Scheme
- ◆ Annual Tax on Enveloped Dwellings.

Our strategy complies with Paragraph 16(2), Schedule 19 of the Finance Act 2016 and reflects our commitment to the following principles:

- ◆ Full compliance with all applicable tax laws and regulations
- ◆ Alignment of tax strategy with Southern Housing's corporate objectives
- ◆ Integrity and diligence in managing tax risks, supported by robust governance
- ◆ Efficient tax management, including the responsible use of reliefs without contravening legislative intent
- ◆ Transparent and collaborative relationships with tax authorities
- ◆ Protection of our residents, staff, and business through prudent tax practices.

This strategy applies to all entities within Southern Housing and will be reviewed annually.

## Scope

The Tax Strategy applies to the following entities, including wholly owned subsidiaries and joint ventures.

### Wholly owned Subsidiaries

Name of undertaking	Country of registration	Principal activity
Amicus Group Ltd	UK RPSH	Registered social housing provider
Optivo Finance Plc	UK PLC	Bond issuing vehicle
Crystal Palace Housing Association Ltd	UK RPSH	Registered social housing provider
Eason Gruaz Homes	UK Charity	Social housing provider
The Fresh Visions People Ltd	UK Charity	Registered Charity
Charity of Julia Spicer for Almshouse	UK RPSH	Registered social housing provider
Lamborn Estates Ltd	UK	Property development
Optivo Development Services Ltd	UK	Property development
Middlesex First Ltd	UK	Manages student accommodation
Optivo Homes Ltd	UK	Holding company
Optivo Enterprise Ltd	UK	Dormant
Southern Home Ownership Limited	UK RPSH	Registered social housing provider
Southern Space Limited	UK	Vehicle for the one-third share in Triathlon Home LLP
Spruce Homes Limited	UK	Provision of housing for private rent
Southern Housing Construction Limited	UK	Property development
The Fellowship Houses Trust	UK RPSH	Registered social housing provider
Hewitt Homes	UK RPSH	Registered social housing provider
Samuel Lewis Foundation	UK Charity	Provision of housing

### Joint Ventures not fully within our control for tax purposes

Name of undertaking	Country of registration	Principal activity
Affinity Housing Services (Reading)	UK	50% Joint venture with Abri Group
Affinity (Reading) Holdings Limited	UK	33% shares directly and 16.67% via Affinity Housing Services (reading). Joint venture with Abri
Triathlon Homes LLP	UK	33% partnership via Southern Space Limited. Joint venture entity with First Base 4 Stratford LLP and East Place Limited

Southern Housing, Amicus Group Ltd and Middlesex First are registered with HMRC as exempt charities for tax purposes.

Hewitt Homes, Fellowship Housing Trust, Julia Spicer and Eason Gruaz are linked charities under Samuel Lewis Trust and registered with the Charities Commission. Fresh Visions is a registered charity.

## Tax Planning

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Southern Housing aims to manage its tax affairs efficiently and responsibly, making use of available reliefs where appropriate and lawful. We will not engage in artificial arrangements that, while legal, conflict with the spirit of the law or could harm our reputation.

Where necessary, we will seek external professional advice to ensure compliance and accuracy in applying tax arrangements.

## Responsibilities and Tax Governance

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The Board is responsible for setting and monitoring the Group's strategic direction, including tax governance.

- ◆ Board: Holds overall responsibility for Southern Housing's tax affairs
- ◆ Chief Financial Officer (CFO): Accountable to the Board and oversees tax management through the Financial Services team
- ◆ Director of Financial Services and Financial Controller (External Reporting): Responsible for oversight of tax risk management.

Southern Housing maintains a control framework including a risk register, defined ownership of risks, documented controls, and escalation routes. We operate reasonable procedures under the Corporate Criminal Offence regime to prevent the facilitation of tax evasion.

Governance is supported by various boards and committees to ensure accountability and operational performance.

## Tax Risk Management

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Southern Housing adopts a low-risk approach to tax management, considering the following areas:

- ◆ Transaction Risks: Careful evaluation of tax implications before entering commercial arrangements, with external advice sought where necessary
- ◆ Operational Risks: Ensuring staff responsible for tax are appropriately trained and supported, with regular internal audits
- ◆ Compliance Risks: Adherence to HMRC filing requirements using appropriate systems and professional support for complex returns. We operate appropriate VAT systems, including agreed partial exemption methodologies where required, and review their suitability when business activities evolve
- ◆ Reputational Risks: Avoiding any tax actions that could harm our reputation or conflict with our corporate responsibilities.

Our risk appetite is low. Wherever possible, we seek real-time engagement with HMRC to minimise uncertainty and achieve timely agreement on complex matters.

## Working with HMRC

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We maintain an open and transparent relationship with HMRC, engaging proactively on significant tax matters and seeking guidance where appropriate. Compliance issues or errors are communicated promptly through the HMRC Public Bodies Group.

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**Next Review Date:** January 2027