

University of Worcester

Tax Policy

Introduction and scope

As a Higher Education Corporation, the University of Worcester (“the University”) is listed as an exempt charity under the Charities Act 2011. As such, the University benefits from the status of a charity but it is not registered with the Charity Commission. The Higher Education Funding Council for England (HEFCE) is responsible for ensuring that universities as exempt charities fulfil their obligations under charity law. The University is registered with HEFCE under registration number UKPRN:1007139.

The powers of the University of Worcester Higher Education Corporation derive from s.124(i) of the Education Reform Act 1988. The University has the power to:

- Provide higher education
- Provide further education
- Carry out research and publish the results of research.

This document, approved by the Accounting Officer for the Financial Year Ended 31 July 2018, sets out the University’s strategy and approach to conducting its tax affairs and management of tax risk. The Policy will be reviewed annually and any substantive amendments will be approved as necessary by VCAG.

This Policy applies to The University of Worcester and to its subsidiary companies, which are:

- U W Developments Limited
- U W Enterprises Limited
- UW Worcester Wolves Limited
- UW UP LLP

All references to the “University” in this Policy are to all these entities.

References to ‘tax, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the University has legal obligations.

Tax policy - principles

The University’s policy approach to conducting its tax affairs considers reputational risk, corporate and social responsibilities. It is committed to conducting its tax affairs consistently with the following principles:-

1. Comply fully with all relevant laws, rules, regulations, statutory reporting and disclosure requirements;
2. Ensure that the tax Policy is at all times consistent with the University's approach to risk and its values;
3. Apply professional diligence and care in the proactive management of all risks associated with tax matters, and ensure that governance and assurance procedures are appropriate;
4. Foster constructive, professional and transparent relationships with tax authorities, based on principles of integrity, and collaboration; and
5. Take advantage of all available reliefs, exemptions and incentives in order to optimise its tax position in the conduct of its activities, but will not use them for purposes that are knowingly contradictory to the intent of Parliament and the spirit of the legislation.

Governance in relation to UK taxation

Ultimate responsibility for the day-to-day operation of the University's tax affairs rests with the VC and Chief Executive as the Accounting Officer. Within the Finance Team, is a Tax Specialist.

The Director of Finance and Resources ensures that the Tax Specialist:

- is appropriately qualified and experienced;
- is committed to ongoing Continuing Professional Development and is a member of the British Universities Finance Directors Group (BUFDG) to ensure that they keep abreast of changes in tax legislation and best practice;
- provides advice and guidance as necessary and in a timely manner to the Senior Management Team, Institutes and Departments within the University;
- seeks professional advice from suitably qualified external advisors where the tax treatment of specific transactions or other matters is of a material value, uncertain or requires external consideration and confirmation;
- considers any reputational risk arising from the University's approach to conducting its tax affairs; and
- liaises with colleagues within the University sector through BUFDG, to ensure the University maintains sector best practice.

The Tax Specialist will use appropriate and effective risk management processes and controls to provide assurance that the requirements of the University Tax Policy are being met.

Attitude to Tax Planning and level of risk

The University's attitude and approach towards tax planning is to seek to optimise its tax position by taking advantage of available tax reliefs and exemptions, applying them in the

intended spirit of current tax legislation, therefore maximising funds available to further the University's core activities and strategic aims.

The University has a generally cautious approach to risk. The aim of the University is to manage risk to ensure compliance with its statutory obligations and in a manner which enables it to pay the correct amount of tax.

Where the correct amount of tax amount may not be clearly defined, or where an alternative interpretation or application of tax law might result in different tax outcomes, the risk will be assessed in a controlled manner, applying best judgement to determine the appropriate course of action. This will usually involve liaison with the BUFDG network to determine what the normal treatment for the particular type of transaction is in the sector.

The University will not enter into transactions that have a main purpose of gaining a tax advantage or intentionally make interpretations of tax law that are opposed to what is generally accepted to be the original intention or spirit of the legislation.

Relationships with tax authorities

All dealings with tax authorities and other regulatory bodies will be conducted professionally, courteously, collaboratively and in a timely manner to ensure that the University's aim to meet all its statutory and legislative tax requirements globally are fully met.

The University does not have an allocated CRM within HMRC. Therefore, any correspondence with HMRC is via the HE & FE Sector, Public Bodies Group.

Questions

Any questions in respect of this Tax Policy document should be referred to the Accounting Officer, Director of Finance and Resources or Tax Specialist.

List of the entities to which this document applies

- The University of Worcester
- U W Developments Limited
- U W Enterprises Limited
- UW Worcester Wolves Limited
- UW UP LLP

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