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Flagship Housing Group Limited Tax Strategy

Introduction

This document outlines the tax strategy of Flagship Housing Group Limited (referred to as the “Company”) and its subsidiary undertakings (collectively known as the “Flagship Group”).

Group Structure

1. **Flagship Housing Group Limited** (registered no. 31211R): A registered provider of social housing and an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014.
2. **Flagship Housing Developments Limited** (registered no. 05131085): Company limited by share capital registered with Companies House in England and Wales.
3. **Gasway Services Limited** (registered no. 04158628): Company limited by share capital registered with Companies House in England and Wales.
4. **Flagship Finance PLC** (registered no. 13448782): Company limited by share capital registered with Companies House in England and Wales.
5. **Hopstead** (registered no. 1190324): A Charitable Incorporated Organisation regulated by the Charity Commission.

Governance and Responsibility

This tax strategy aligns with the provisions of Schedule 19 of the Finance Act 2016 as applicable to qualifying UK groups. It encompasses all relevant taxes, including corporate income taxes, land purchase taxes, value-added tax (VAT), and employment taxes.

The Group remains dedicated to upholding the highest standards in tax management. Flagship Group’s strong corporate governance is evident through its governance and viability ratings from the Regulator of Social Housing.

The Board of Directors of Flagship Housing Group Limited (referred to as “the Board”) owns and annually reviews this tax strategy. The Board play a pivotal role in setting and monitoring the strategic direction of the Flagship Group. This document will be reviewed again in March 2025.

Scope and guiding principles

This tax strategy applies universally to all Flagship Group employees and extends to third parties engaged in providing tax advice on behalf of Flagship Group. It establishes a professional responsibilities framework for guiding individuals responsible for tax accounting and reporting. This following key areas it covers are:

1. **Tax governance and risk management** – Clear accountability, a strong purpose and strategic value alignment, clear responsibility and professional conduct expectation, regular review.
2. **Tax risk** – Compliance focused, on-going risk assessment, prudent risk balanced decision-making.
3. **Tax planning**– Legally compliant, seeking efficiency, ethical consideration.
4. **Tax authorities** – Open dialogue, timely compliance, proactive approach.

Purpose and strategic values

This tax strategy is guided by Flagship Group's purpose to provide homes and create sustainable communities and its strategic values to:

1. **Deliver outstanding customer service**
2. **Great people doing great things**
3. **Spend money wisely**
4. **Relentlessly improve performance**

Responsibility and professional conduct

Flagship Group and all affiliated parties working on its behalf will adhere to the following guiding principles:

1. **Legal compliance** – Diligently observe all applicable law, rules, regulations, and disclosure requirements related to taxation. Our commitment extends to maintaining strict compliance with tax obligations.
2. **Professional judgement and reasoning** – Exercise diligent professional care and sound judgement when assessing tax matters. Our conclusions are well reasoned, evidence based and legally compliant.
3. **Decision making and documentation** – All tax-related decisions are made at appropriate leadership levels within the organisation. Decisions are substantiated with comprehensive documentation, clearly outlining fact pattern, conclusions, and associated risks.
4. **Certainty in tax positions** – Seek reasonable clarity and certainty regarding tax positions adopted, linked to a prudent tax risk appetite. When tax laws are ambiguous or subject to interpretation, we proactively seek written advice or confirmation.
5. **Collaboration and relationships** – Actively cultivate positive working relationships with tax authorities, government bodies and relevant third parties. Open dialogue and cooperation contribute to effective tax management.
6. **Professional conduct** - Interactions with tax authorities are characterised by professionalism, courtesy, and timeliness, upholding the highest ethical standards in all dealings.
7. **Anti-bribery compliance** – Strictly adhere to all anti-bribery legislation. Commitment to integrity extends to preventing any form of bribery or unethical practice.
8. **Reputation and social responsibility** – When assessing tax-related risk, we consider the impact on Flagship Group's reputation, brand, and broader social responsibilities.
9. **Commercial rationale** – Commerciality **will not** in any circumstances override compliance with applicable laws and regulations.
10. **Disclosure** – Diligently, with an honest and forthright approach, follow all legal requirements for information disclosure to tax authorities and other relevant bodies.

Appetite for risk

The Group's approach to risk is overseen and endorsed by Flagship Group Board. It relies on risk tolerances specific to different operational areas within Flagship Group, always taking into account the standards set by the Regulator of Social Housing and relevant legislation. Proactive identification and mitigation of tax risk are essential, ensuring that all tax decisions are well-supported, backed by clear evidence, and guided by professional advice.

Approach to risk

As is customary for all businesses, Flagship Group faces tax risks and uncertainties. In managing these risks, we adhere to a fundamental principle: **preventing unnecessary disputes**. To achieve this, we emphasise the following practices:

1. **Clear technical positions:** We maintain a clear, robust, well-defined position on tax matters.
2. **Professional advice:** We seek appropriate professional advice to support our decisions.
3. **Comprehensive documentation:** A clear document trail of relevant facts and assumptions.
4. **Quantification:** We assess the magnitude of tax implications.
5. **Relationships with tax authorities:** We seek to maintain strong relationships with tax authorities.
6. **Compliance procedures:** Robust compliance procedures ensure accurate and complete tax returns.

When evaluating risk, we consider both short and long-term factors, including the impact on our reputation and brand. We recognise the consequences of disagreements with tax authorities and appreciate the value of certainty regarding uncertain or disputed tax positions. Professional advice remains a cornerstone of our approach.

Attitude to tax planning

Flagship Group's recognises that it has a responsibility to a range of stakeholders including customers, employees, investors, its regulator and HM Revenue and Customs ('HMRC'). This strategy seeks to balance the interests of these stakeholders in a socially responsible way whilst simultaneously aligning with the regulatory, legal and commercial environment in which Flagship Group operates.

Key tenets of our attitude to tax planning include:

1. **We avoid entering into artificial or abusive arrangements** for the purpose of achieving a tax advantage.
2. **We always opt for tax-efficient structuring** that aligns with our core values and social responsibility when making business decisions.
3. **We access government sponsored tax incentives** when appropriate and where these are aligned with our trading activities and strategic objectives.

Tax authority relationships

Flagship Group aims to cultivate strong working relationships with tax authorities minimising unnecessary disputes. All interactions with tax authorities will be conducted in a professional, courteous and timely manner. To achieve this, Flagship Group will implement the following practices:

1. **Proactive relationship management:** Flagship Group will make itself available to engage in regular meetings with tax authorities to discuss current business initiatives and associated tax accounting matters.
2. **Pre-transaction clearance:** When appropriate, Flagship Group will seek pre-transaction clearance from tax authorities.
3. **Transparency:** Flagship Group is committed to transparency in all interactions with tax authorities.
4. **Active participation in consultations:** Individuals responsible for tax strategy will actively participate in formal consultation processes initiated by tax authorities where the matter under consultation could significantly impact Flagship Group's tax liability or proposes a change in practice affecting tax compliance management.
5. **Compliance procedures and controls:** Flagship Group will make compliance procedures and controls available for review by HMRC upon request.
6. **Error disclosure and correction:** Flagship Group will promptly disclose and rectify any inadvertent errors in submissions to HMRC.

Flagship Group is dedicated to maintaining a cooperative and compliant relationship with tax authorities.

Dormant entities

Blue Flame (Colchester) Limited (05086439)

RFT Repairs Limited (08341166)

East Anglia Lettings Limited (08421578)

Flagship Community Housing Limited (09892942)

North Norfolk Housing Company Limited (05999428)

Date	Approved By
April 2023	Flagship Board
March 2024	Flagship Board