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Sparrow Shared Ownership Ltd

UK Tax Strategy 2024

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1. Introduction

- 1.1. In accordance with Schedule 19 of the Finance Act 2016, Sparrow Shared Ownership Ltd (a Registered Provider of Social Housing) is required to publish a tax strategy for the year ending 31 December 2024. The Tax Strategy has been approved by the Board of Directors and is in line with the overall strategy and operations of the company.

The scope of this strategy

- 1.2. This strategy applies to Sparrow Shared Ownership Ltd, which is headed by UK REIT - Sparrow Housing Group Ltd

2. Strategy

- 2.1. The core principles of our UK tax strategy are as follows:

Governance

- 2.2. The Finance Director (FD) is responsible for formulating and implementing our approach to tax. The FD is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently, and that the tax team has the skills and experience to implement the approach appropriately.
- 2.3. The Board of Directors of Sparrow are responsible for monitoring and approving the UK tax strategy. The UK tax strategy will be reviewed annually, updated as appropriate and approved by the Board of Directors.
- 2.4. UK tax matters are managed in the interim by Sage Homes in house Tax team and external tax and accounting professionals who are responsible for the implementation of the tax strategy and the management of tax and related risks, taking into consideration how tax arrangements will impact upon reputation, brand, corporate and social responsibilities, or future working relationships with HMRC.
- 2.5. The FD, reports to the Managing Director of Sparrow. Tax matters are reported to the Board of Directors.

Approach to managing tax affairs

- 2.6. We are committed to conducting our tax affairs in a way that is within the letter, spirit, and intention of the law. In structuring our business activities, tax is considered in a way that gives rise to tax efficiencies, providing this complies with the associated UK tax legislation, in order to maximize value for our investors and stakeholders.
- 2.7. We do not participate in tax avoidance schemes or engage in artificial tax arrangements to seek a tax advantage and seek to minimize the risk of uncertainty or disputes.

- 2.8. We conduct transactions between Group companies in compliance with local tax laws and in accordance with current OECD principles. We may seek external tax advice where relevant on any transactions.

Tax risk management

- 2.9. We actively seek to evaluate, monitor, and manage tax risks to ensure compliance with tax legislation. We retain tax advisors and legal counsel to provide advice and assistance with ongoing tax compliance and tax strategy matters, particularly for uncertain or complex areas of tax.
- 2.10. Our procedures and controls are designed to ensure our taxation policies are up to date with all UK tax legislation. These procedures and controls support the filing of accurate and timely tax returns and paying the correct amount of tax in the UK within statutory payment deadlines.

Relationships with tax authorities

- 2.11. We seek to maintain an open, fully transparent, and collaborative relationship with HM Revenue & Customs (“HMRC”). We will engage with HMRC on tax matters, via external tax advisors and will proactively engage with HMRC to avoid unnecessary disputes and ensure that our business is understood.
- 2.12. We will actively seek to participate in discussions with HMRC, government and other relevant property and real estate organisations in response to changes impacting the affordable housing sector, in order to explain any potential impact to our investors, customers and other stakeholders.

3. Delivery of this policy

- 3.1. The effective delivery of this policy will result in the publication on Sparrow website on an annual basis. The FD will be responsible for providing this policy for review and approval from the Board and ensure this is published accordingly.

4. Policy review

- 4.1. The Tax Strategy will be reviewed at least once every year to make sure it remains relevant and accurate unless legislation/regulation changes require otherwise.
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