



# Wellcome Trust group – Tax Strategy statement 2023

## Introduction and Scope

Wellcome Trust was established as an English law charitable trust pursuant to the terms of the will of its founder, Sir Henry Wellcome, and is currently governed by a Scheme made by the Charity Commission for England and Wales dated 20 February 2001, as amended from time to time. Consequently, it is a charity for UK tax purposes within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Trust is potentially exempt from UK taxation in respect of income or capital gains received within the categories covered by sections 518-564 of the Income Tax Act 2007 (ITA 2007) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The Trust receives no similar exemption in respect of Value Added Tax or employment taxes.

Commercial activities that are unrelated to the Trust's charitable purposes are generally carried on through non-charitable subsidiary companies. The Trust's non-charitable subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

This document sets out the Trust's policy and approach to conducting its tax affairs and the management of its tax risk. The document has been approved by its Board of Governors following consideration and recommendation of the Trust's Audit and Risk Committee (ARC). The strategy applies from the date of publication until it is superseded. The strategy will be reviewed annually by the Head of Tax, and any material amendments will be approved by the Board of Governors, following consideration and recommendation of the ARC prior to publication.

The strategy applies to the Trust and its subsidiaries. In this document any reference to the Trust is to the Trust and its subsidiaries. Details of the Trust's subsidiaries are listed in its annual financial statements which are also available on the Trust's website.

## Governance

The Trust's Board of Governors is the governing body of the Trust with overall responsibility for the management of its finances and assets. The Board is supported by a number of committees which operate through delegated authority. The Audit and Risk Committee has oversight of the Trust's tax affairs including overall risk management and internal controls.

Day to day responsibility for tax rests with the Head of Tax (HoT), who reports directly to the Chief Finance Officer (CFO). The members of the tax department have day to day authority to manage the Trust's tax affairs and the HoT reports regularly to the CFO. The tax department works closely with the payroll team in respect of employment taxes.

The tax team with the support of the CFO ensure that the team:

- Comprises appropriately qualified and experienced personnel and is adequately resourced
- Are committed to ongoing Continuing Professional Development

- Are aware of and contribute to the work of the Charity Tax Group
- Proactively act as business partners to scientific and non-scientific departments across the Trust to provide timely advice and guidance as required to ensure compliance and to identify opportunities to achieve savings
- Provide regular internal training and reference material to staff to highlight tax issues and treatments particular to the Trust's affairs, together with changes in legislation
- Seek professional advice from appropriate external advisors where the tax treatment of specific transactions is uncertain, requires external consideration or confirmation, or requires specialist knowledge
- Liaise with colleagues within the charity sector to ensure that the Trust maintains charity sector best practice.

Internal processes and controls operate across the Trust with the aim of ensuring accurate and complete tax and financial records.

## Tax Policy

In accordance with the Trust's commitment to adhere to the best ethical and professional standards the Trust aims to conduct its tax affairs consistent with the following principles:

1. Comply with all relevant tax laws, rules, regulations and reporting requirements wherever it operates
2. Ensure that the tax strategy is at all times consistent with the Trust's overall strategy, approach to risk and its core values
3. Apply due diligence and care to the management of 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 concepts of integrity, collaboration and mutual trust
5. Use incentives, reliefs or, where appropriate tax structures, to minimise the tax cost of adopted business models without entering into transactions that have the purpose of gaining a tax advantage or intentionally interpreting tax law in a way contradictory to the original intention of the legislation

Where tax savings are achieved these will be reinvested in the Trust's core activities.

## Tax Risk Management

Diligent professional care and judgment is employed when assessing tax risks. In reviewing risks and in line with the Tax Policy the following will be considered:

- The maintenance of the Trust's reputation
- The tax benefits and impact on the Trust's reported results compared to the resource and financial costs involved including risks of penalties and interest charges.
- The wider consequences of potential disagreement with the Tax Authorities including any possible impact on the ongoing relationship with the Authorities
- The Trust will not enter into any transaction where the purpose is to gain a tax advantage.

The preparation of the majority of the Trust's tax returns is carried out internally by the Tax team. Some tax returns are prepared by suitably qualified external advisors where specialist knowledge is required. All tax returns are subject to appropriate levels of internal review prior to submission.

## Relationship with Tax Authorities

The Trust seeks a transparent and constructive relationship with Tax Authorities wherever it operates by conducting all dealings with Tax Authorities and other regulatory bodies professionally, courteously and collaboratively in a timely manner. In respect of its relationship with HM Revenue and Customs the Trust seeks to:

- Have regular contact and correspondence with the Trust's dedicated Customer Compliance Manager
- Maintain a low-risk rating in its dealings with HMRC
- Make fair, accurate and timely disclosures as soon as reasonably practical once they have been identified
- Work collaboratively with HMRC should disagreements arise to resolve issues by agreement (where possible)
- Proactively enter into dialogue with HMRC in relation to issues where the correct tax treatment is uncertain.

The Trust regularly responds to government consultations on tax and charity sector issues by engaging directly with tax authorities or contributing to submissions by charity sector representative bodies.

**Date approved:**                    **December 2020**

Reviewed:                            December 2021                    no material changes identified

Next review due:                    December 2022

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