

## **Tax Charter**

### **Background**

This Tax Charter represents a formalisation of our approach on tax matters and reflects our outlook and values.

We are pleased to be pioneers of the Fair Tax Mark which looks to encourage transparency by organisations when reporting on their tax affairs.

Within the overall framework set by the Charter, we believe it is fair that we look for ways to mitigate the Society's tax bill to ensure we do not pay more tax than we need to. However, our approach will always be based on a recognition that as a values led and ethical organisation we should pay the taxes we are due to pay and we should not engage in aggressive tax avoidance schemes, even if legal.

The Tax Charter was agreed by the Board of directors on 20 February 2014, and subsequently reviewed, and amended when necessary, by the Board of directors on the dates set out in the table at the end of this Charter.

### **The Midcounties Co-operative**

## Tax Charter

### 1. Guiding Values

The Midcounties Co-operative Limited (“the Society”) is a Co-operative Society which operates a broad range of businesses in the food retail, travel, pharmacy, funeral, energy, childcare, post offices and flexible benefits sectors. The Society has selected four key values to guide its business practice:

- **Democracy** – ensuring that the views of its members are reflected in the way it is run.
- **Openness** – being open, honest and fair in its dealings with everyone with whom it comes into contact.
- **Equality** – recognising the contribution that everyone can make to its development.
- **Social Responsibility** – reflecting its responsibilities to the wider community in the way it conducts its business.

The Society’s Tax Charter has been based on these DOES values.

### 2. Tax Charter

The Board acknowledges that it has overall responsibility for the Society’s tax affairs. This includes the development of this Tax Charter. Day to day responsibility for tax matters lies with the Chief Executive and, within his team, the Chief Financial Officer.

The principles constituting the Society’s Tax Charter are set out below:

- Any tax planning will be consistent with the Society’s values and the law.
- As far as is reasonable, the Society’s preference is to make its tax affairs as simple as possible.
- The Society aims to have a good working relationship with HMRC and to work in partnership with HMRC through the Customer Relationship Manager (CRM).

- The Society will pay the right amount of tax in accordance with relevant statute and case law.
- The Society will deliver accurate and timely returns, declarations, claims and payments across all relevant taxes.
- The Society will respect all tax laws and will not structure transactions in a way which does not reflect genuine commercial reasons. This includes not establishing operations in other jurisdictions for the purpose of evading or avoiding the tax laws of the United Kingdom.
- Should key strategic partners be found to be utilising overly aggressive tax avoidance the Society will consider whether to continue business relations.
- The Society will discuss with HMRC in advance how any significant transactions whose tax treatment is open to interpretation should be appropriately recorded on its tax returns.
- Professional accountancy and legal firms will be engaged to provide tax advice where appropriate.
- The Society will only engage in tax schemes which it is confident it could justify to members in public by reference to co-operative values and principles.
- If there is a disagreement with HMRC over tax treatment the Society will defend and or establish its position, deploying such resources as are appropriate to the circumstances.
- Subject to the principles above, the Society will seek to order its affairs to legitimately minimise the tax it pays.

### 3. Review

The principles making up this Charter will be reviewed annually by the Board and delegated to management to implement. The Charter was reviewed on the dates set out in the below table:

Date reviewed
21 July 2014
20 July 2015

1 October 2016
7 October 2017
13 October 2018
5 October 2019
12 September 2020
11 September 2021

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