



Loughborough
University

Finance

Tax Strategy

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1. Scope

The purpose of this document is to set out Loughborough University and its subsidiaries policy and approach to conducting its tax affairs and dealing with tax risk. The subsidiaries included are set out in section 8.

This strategy is in accordance with [paragraph 16 of Schedule 19 to the Finance Act 2016](#). This Tax Strategy applies from the date of publication until it is superseded.

2. Tax Status

Loughborough University is recognised by HMRC as having the status of an exempt charity for tax purposes. Exempt charities benefit from charitable status but are not registered with the Charity Commission, instead being regulated by the Office for Students (OfS).

3. Tax Governance

The University's governing body is Council, which is chaired by the senior Pro-Chancellor. Council has 24 members, the majority of whom are lay members from outside the University. In line with the origin of universities as communities of scholars, there is also strong representation of staff and students on the Council. The members of the University Council are the trustees of the University in relation to its status as an exempt charity.

The senior leadership of the University are responsible for the day-to-day leadership and management of the institution. The University's senior academic and administrative officer is the Vice-Chancellor. The Vice-Chancellor is the executive leader of the University and works closely with the Senior Management Team, Strategic Portfolio and Resources Committee, and other senior officers.

To ensure collegiality and collective decision-making, the Strategic Portfolio and Resources Committee meets monthly to act as the recognised executive decision-making group of the university; a forum through which the executive authority and responsibility of its members is pooled, shared, and executed.

The ultimate responsibility for day-to-day operation of the University's tax affairs rests with the Executive Director of Finance. The Head of Financial Control, reporting to the Executive Director of Finance oversees the Tax team, which includes a specialist VAT Manager supported by other staff. Employment Taxes and Global mobility are managed by the payroll and/or HR teams.

The Tax Team are required to update their knowledge through Continuing Professional Development.

4. Overall Aims

As a charitable organisation Loughborough University benefits from exemptions from many taxes. However, where taxation obligations exist, the University is committed to comply in full and where required disclose in full all relevant information to the tax authorities, whilst also trying to optimise its tax position so that funds available to support its charitable objectives are maximised.

Considering the above, the University's approach towards tax planning is with the aims of:

- minimising tax risks,
- meet all its statutory and legislative tax requirements,
- achieving certainty of taxation treatment where possible, and
- ensuring that all tax submissions are accurate, complete, submitted on time and subject to full disclosure.

The University also aims to have a constructive, professional and transparent relationship with HMRC and other tax authorities based on concepts of integrity, collaboration and mutual trust.

5. Risk Management

The University seeks to minimise its exposure to taxation risks through involvement of the tax team in all major transactions, whether new or on-going, and for any material changes in business.

Internal control procedures and processes exist within the University finance systems with the aim of ensuring that information and documents underlying tax returns and submissions are accurate and complete. Tax returns and submissions are further subject to appropriate levels of internal review prior to their submission.

If the tax treatment of specific transactions or other matters is uncertain or requires external consideration or confirmation or involves a specialist area of tax for which the University tax team does not have the necessary knowledge then the University seeks professional advice from suitably qualified, external advisors.

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 the original spirit of the legislation.

6. Tax compliance

The University ensures tax compliance with all tax laws, regulations, rules and reporting requirements in the UK and overseas. The Tax Team aims to use various risk management processes and controls to provide assurance that the requirements of the University Tax Strategy are being met. This includes compliance and risk monitoring processes and internal reviews of tax compliance activity across the University.

The Tax Team acts as business partner to the various schools, services and subsidiaries across the University to keep abreast of changes in activity on a real time basis and to provide advice on tax implications arising therefrom.

The University seeks to:

- Improve or maintain levels of tax compliance.
- Operate a risk-based approach which is reviewed and acted upon regularly.
- Ensure Tax records provide appropriate detail and transparency.
- Meet reporting deadlines.
- Initiate an audit cycle of checks. Undertaking basic or in-depth checks or credibility tests on various aspects of tax accounting processes and declarations.
- Identify areas of strength or weaknesses in tax accounting processes and take any remedial action necessary, including making tax adjustments.
- Monitor overseas activity and consider potential tax reporting obligations.

7. Attitude towards Tax planning

At all times the University and its subsidiaries seek to comply fully with its regulatory and other obligations. The University endeavours to act in a way that maintains its' reputation as a leading educational institute and a charity that contributes positively to society, whilst also managing its tax position by taking advantage of all available and appropriate tax exemptions, reliefs and incentives to maximise the funds available to further its core activities and strategic aims as per its charitable mission.

This includes:

- Maintaining a network of contacts across schools, services and subsidiaries.

- Identifying and targeting tax awareness training needs in the University to provide support and guidance to across our various schools, services and subsidiaries.
- Preventing the implementation of aggressive tax planning or tax avoidance schemes.
- Adopting a fair and reasonable approach.
- Providing the Head of Financial Control and/or the Executive Director of Finance with regular updates and support.
- Working in tandem with HMRC strategy and risk programme, including risk ratings.
- Communicating with HMRC regularly.
- Utilising support network and links (such as BUFDG).

8. List of Subsidiaries

- Imago @ Loughborough Limited
- Loughborough University Development Trust
- Loughborough University Enterprises Limited
- Loughborough University Nursery Limited

9. Version history

Version	Date	Changes Made	Approved By
0.1	05/01/26	Document approved	Executive Director of Finance

This is a CONTROLLED document. It is UNCONTROLLED when printed. You should verify that you have the most current issue.