

**Health Professions Council**  
**Finance & Resources Committee Meeting – 21 November 2005**  
**Tax Clearance letter to HM Revenue and Customs – PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

In May 2005, HPC purchased the full share capital of Purbrook and Eyres Ltd, a private, VAT-registered company, in order to acquire the 22-26 Stannary St premises. Purbrook and Eyres Ltd was a subsidiary company of another private company called Purbrooks Ltd. The name of the company acquired by HPC was subsequently changed to 22-26 Stannary St Ltd.

**2. Decision**

The Council/Committee is requested to note the document. No decision is required.

**3. Background information**

During the negotiations for the acquisition of the shares in Purbrook & Eyres Limited, certain applications for tax clearance were made, and clearances were subsequently granted by HM Revenue & Customs.

There is a five year period following a de-merger (de-merger of Purbrook & Eyres Ltd from Purbrooks Ltd), when the chargeable payment provisions could still potentially apply. This period does not run out until September 2006.

There is however a formal clearance procedure which permits a company (HPC) that becomes connected with another company (Purbrook & Eyres Ltd), to obtain confirmation from HM Revenue & Customs, that any future payments will not be treated as chargeable payments.

In order to protect the Council from adverse tax consequences which may arise from future chargeable payments under the legislation, Baker Tilly (HPC's tax advisors) have drafted a clearance letter (attached) to shortly send to HM Revenue & Customs.

The application, once agreed by the HMRC Inspector, will protect the Council in respect of any chargeable payments that may be made by it at any time after becoming connected with Purbrook & Eyres Limited, whether or not there is any present intention to make such payments.

**4. Resource implications**

Nil

**5. Financial implications**

Nil

**6. Background papers**

See attached letter to HM Revenue and Customs from Baker Tilly tax advisors.

**7. Appendices**

Nil

**8. Date of paper: 21 November 2005**