



**HM Revenue
& Customs**

**Local Compliance
CT Operations**
Government Buildings
Castle Street
Merthyr Tydfil
CF47 8AA

Mr David Michael
Springhill Cohousing Community Ltd
16 Springhill
STROUD
GL5 1TN

Phone 0845 366 7819
8:00am to 6:00pm Monday to Friday

Fax 01685 353802

hmrc.gov.uk

Date 16 October 2012
Our ref 456 93914 10327

Dear Sir

Springhill Cohousing Community Limited

The correspondence you have sent me suggests that the company has only a small amount of profit and the annual corporation tax liability is unlikely to be more than £100. If this continues to be the case and the following conditions still apply, I will not need to ask for another Corporation Tax Return for 5 years.

The conditions are that -

- the company's business consists of the management, on a non-profit making basis, of a block or blocks of flats or apartments for the owners, lessees, or tenants of the flats or apartments
- the company's Articles of Association contain rules to ensure only the persons having an interest in the property under management own the shares in the company
- the company must not be entitled to receive any income from an interest in the land
- the company does not pay any dividend or make any other distribution of profit
- there is no change in the way in which the financial affairs are controlled
- no assets are disposed of, for example, the sale of land or anything else of significant value
- the taxable profits for the company remains at or below the current level
- Corporation tax liability is not more than £100.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001

Assistant Director: Kshama Shore



If the company no longer meets any of the above requirements or if you are unsure whether a particular change has tax implications, you should advise me right away as penalties may be due if you do not.

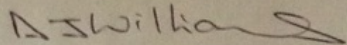
However, where a property management company receives service charges which it is obliged to hold on trust for the tenants under Section 42 Landlord & Tenant Act 1987, the company will be liable to income tax on any interest arising on that fund. The company, in its capacity as trustee, will be within Income Tax Self Assessment and may be required to make a return to the relevant Trust Office. Income is chargeable at the special trust rates (40 per cent for bank interest) except for the first £1,000 which remains chargeable at basic rates (20 per cent for bank interest). Generally, where the income is below £1,000 and taxed at source, a return will not be required every year.

The company may still have liability for PAYE and NIC.

Please refer to the guidance notes for Clubs and Voluntary Associations on our website at www.hmrc.gov.uk to see if you need to notify liability for them.

If you contact us, please quote our reference number and provide a daytime phone number.

Yours faithfully



Mrs D J Williams
Corporation Tax Co-ordinator

To learn more about your rights and obligations go to hmrc.gov.uk/charter