

This document represents the tax strategy for the Pertemps Network Group (the “Group”), and sets out the Group’s approach to conducting its tax affairs and dealing with tax risks in accordance with the requirements of the Finance Act 2016. It is effective for the year ended 31 December 2017, and will remain in effect until any amendments are required. The Group’s tax status is reported through the Group Finance Director.

The Board considers that this meets the Group’s obligation to publish a tax strategy.

The published strategy must cover following areas (all in relation to UK taxation):

- Approach to risk management and governance arrangements
- Attitude towards tax planning
- Level of risk the Group is prepared to accept
- Approach towards Group’s dealings with HMRC

Responsibility and accountability for the Group’s tax affairs is clearly defined within the Group and overseen by the Group’s Board. The Group Finance Director has overall responsibility for tax as the Group’s Senior Accounting Officer.

## **APPROACH TO RISK MANAGEMENT AND GOVERNANCE**

A primary responsibility of the Group is to ensure compliance with all applicable tax laws, rules, regulations, and reporting and disclosure requirements in the jurisdictions in which it operates including the UK. The Group has robust controls and processes in place for providing the necessary information for reporting and disclosure to relevant stakeholders.

Professional diligence and care is applied to the Group’s management of all risks associated with tax matters to evaluate those risks. Where there is uncertainty as to the application or interpretation of tax law (including the UK), appropriate advice is taken from third party advisers.

## **TAX PLANNING**

The Group’s tax planning aims to support the commercial needs of the business by ensuring that its affairs are carried out in the most tax efficient manner. The Group will use tax efficient incentives and reliefs where available, whilst remaining compliant with all relevant UK laws. The Tax Department provides appropriate input into commercial decision-making processes to ensure clear understanding of the tax consequences of any decisions made. Where required, external advice is sought to support the Group’s decision-making process. Whilst seeking to minimise tax liabilities, the Group’s policy is not to take an aggressive interpretation of tax legislation or use artificial tax avoidance schemes.

## **RISK MANAGEMENT**

Managing the Group's tax affairs is a complex process across many areas of the business, and as such, effective risk management is paramount for the Group and underpins the strategy for continued growth. Eliminating tax risks entirely is impossible as there will inevitably be risks of error or omission within those processes (i.e. tax risks) which may result in the incorrect application of tax rules or calculation of VAT and tax returns. The likelihood of this is considered low, with any error or omissions being immaterial.

The Group has an internal Tax Department responsible for managing business tax risk, and the Department is managed by the Group Finance Director directly. The Department consists of a tax manager and two tax accountants. The tax team also receives support from the Group's qualified accountants and support staff throughout the UK. All tax returns (VAT, Corporation Tax, Construction Industry Scheme) are prepared in-house enabling the group to identify and manage any business tax risks.

The Tax Team and Group Finance Director are an integral part of the Group's finance function, meaning tax risks are monitored in all areas of finance.

## **RELATIONS WITH TAX UK AUTHORITIES**

The Group strives to maintain relationships with tax authorities in the UK, sometimes with the aid of external advisors. The Group is committed to working collaboratively with HMRC, through open and transparent dialogue to ensure it is compliant with all its compliance and filing obligations. The Group has a proactive working relationship with HMRC and will continue to engage with HMRC on a real-time basis. The Group regularly meets with its Customer Relationship Manager at HMRC.