

Advantage Resourcing UK Tax Strategy

Introduction

The Advantage Resourcing UK Group (including the UK entities Advantage Resourcing UK Ltd and Advantage XPO Ltd, hereafter 'the Group') of companies provides recruitment solutions for a vast and diverse array of customers worldwide.

The principal activity of the Group is that of recruiting personnel and the subsequent provision of contractors and permanent staff, primarily to clients in the technology and professional sectors, as well as clerical and administrative support. This includes the provision of staff through managed service programs, which is an increasing aspect of the business and requires the supply and service of contract labour sourced from other service providers as well as contractors sourced direct.

The nature of the Group's business activities means that a substantial amount of taxes are paid and the Group is also obliged to comply with a variety of reporting requirements. The major taxes are:

- Corporation tax,
- Value Added Tax (VAT), and
- Employment taxes

With regards to tax, the core aims of the Group are to:

- Maintain accounting systems and controls to successfully support tax compliance obligations;
- Comply with all relevant laws and disclosure obligations;
- Only undertake tax planning in the context of wider business activities having a commercial, and economic basis; and
- Deal transparently, professionally and appropriately with all tax authorities.

The Group operates a strict policy and governance environment to maintain compliance with all relevant tax authorities in whatever areas or geographical zones in which we transact our business. This approach has helped us to achieve and maintain a low risk assessment status in terms of business risk with HMRC.

We have an open, professional and transparent relationship with the authorities and we strive to achieve clarity of business tax consequences wherever we operate within the world.

We do not enter into schemes where the sole purpose is the avoidance of tax and we will not be party to tax evasion.

Strategic Tax Objectives of the Group

The Group is committed to compliance with all statutory obligations and full disclosure to relevant tax authorities, with the aim of:

- Maximising long term shareholder value in relation to the tax impacts of the Group's business activities at a level consistent with all applicable rules and the Group's reputation;
- Providing robust and transparent disclosures for the purposes of financial reporting; and
- Anticipating, managing and communicating material tax risks arising out of tax legislation or economic changes within the Group's operating environment.

In compliance with new UK legislative requirements and in order to support our commitment of transparency in our approach to taxation we have laid out our Tax Policy. This document gives detail of:

- Our approach to governance, risk management and compliance;
- Our approach to tax planning;
- Our approach towards dealings with Tax Authorities; and
- The level of risk we are prepared to accept.

Our approach to tax risk management and governance

The Group's strategic objectives are met through application of the Group's Tax Policy. The Tax Policy is part of a framework of policies which are periodically reviewed and updated by the Board Risk Committee. Ownership of the Tax Policy rests with the Board.

Overall responsibility for implementing the Tax Policy rests with the Director of Finance, with professionals in the wider finance team supporting its day-to-day implementation.

Our overall approach to tax is periodically reviewed in relation to changes regarding:

- The general business environment;
- Our business operations;
- Legislative and regulatory changes; and
- Emerging business and tax risks.

Our attitude to tax planning

The Group only undertakes tax planning in the context of wider business activities having a commercial and economic basis.

The majority of tax work is undertaken internally within the finance team with experienced professionals. The Group may use external advisers to help comply with tax obligations and may also consult externally when undertaking tax planning or structuring exercises in order to comply with complex legislation to ensure that business decisions are made within the framework of current and expected interpretations of legislation and guidance.

Level of risk

The Group has a low appetite in terms of tax risk. It does not participate in structured arrangements or aggressive planning in order to minimise its tax liabilities.

The Group identifies tax risk as "risk that can arise from unclear laws and regulations as well as differences in their interpretation". It has established a strong framework of robust policies and compliance processes to ensure the integrity of its returns. Coupled with timely and accurate payment of all taxes, the Group successfully achieved and has maintained a "Low Risk" taxpayer status assessment from HMRC in all areas of its taxation activities.

The Group has developed a structured training and education programme to ensure that all of its staff are correctly trained and have the correct guidance and knowledge to manage the tax affairs of the Group efficiently.

Approach towards dealing with HMRC

The Group deals with all tax authorities in a professional, constructive and transparent manner. It maintains regular dialogue on open matters and has no material historical matters outstanding.

The Group proactively seeks clarification on potentially unusual or contentious issues and also keeps HMRC actively informed of any changes relating to the Group and the nature of its business transactions.

The Group's Tax Policy encourages contributions to tax consultations on proposed legislative changes, either directly or through representative bodies.

The Group regard the preparation and publication of this tax strategy as complying with the UK legislative requirement under paragraph 19(2) of Schedule 19, Finance Act 2016.