

# Grant Thornton UK LLP

Tax strategy



# Who we are

Grant Thornton UK LLP is part of one of the world's leading organisations of independent advisory, tax and audit firms. We help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice.

Our purpose is to shape a vibrant economy by building trust and integrity in markets, unlocking sustainable growth in dynamic businesses, and creating environments where businesses and people can thrive. We work with banks, regulators and government to rebuild trust through corporate reviews, advice on corporate governance, and remediation in financial services. We also work with entrepreneurs and dynamic organisations to help them prosper and grow. And we work with the public sector to build a business environment that supports growth, including national and local public services.

In the UK, we are led by more than 185 partners and employ 4,500 of the profession's brightest minds. We provide assurance, tax and specialist advisory services to over 20,000 privately held businesses, public interest and public sector entities and individuals nationwide.

## Scope

We have always supported the creation of a simple, transparent tax regime that is applied consistently - a tax system that has at its heart the creation of a vibrant economy. The publication of our tax strategy is fully aligned with our view of the benefits widespread transparency brings to our society and such initiative is very much welcome.

This tax strategy applies to Grant Thornton UK LLP and to the entities listed below for the financial year ended 30 June 2018 and the publication of the strategy is regarded as complying with our duty under paragraph 22(2) and paragraph 25(1) of Schedule 19 to the Finance Act 2016 for that year.

Grant Thornton Business Services

Grant Thornton Services LLP

Geniac UK Limited

Geniac Holdings Limited

Grant Thornton Acquisitions No2 Limited

The Local Futures Group Limited

Inderies Limited

## The approach to risk management and governance arrangements

- a. Ultimate responsibility to oversee our approach to risk management and governance arrangements in relation to UK taxation rests with our Strategic Leadership Team (SLT), which runs the firm as an executive function, and the Partnership Oversight Board (POB), which provides governance over the SLT on behalf of the members (the 'partners'). The CEO is empowered to appoint the SLT members.
- b. The SLT communicates regularly with the partners and employees on a wide range of issues including strategy implementation, professionalism and quality, current developments and the firm's values in action
- c. The Head of Tax is a member of the Executive Management Team and reports to the SLT on a regular basis with a view to ensuring that quality and risk management processes are at the heart of everything that we do for our clients and ourselves.
- d. Our tax professionals are required to act with integrity, energy, have the courage to inspire others and also have the responsibility to ensure a culture of quality across the firm.
- e. Our **Code of Conduct** also requires our suppliers to confirm that they will adhere to the same values that are important to us. The Code of Conduct is built around our **CLEARR** values and these values are the basis on which we determine our tax strategy.

## Attitude towards tax planning<sup>1</sup>

Our **Code of Conduct** and our **Tax service principles** govern how we manage the tax affairs of Grant Thornton UK LLP and the principles the partners should abide by. We believe that paying the right amount of tax is part of building sustainable growth for us, our clients and wider society. Therefore, we fully comply with the applicable legal and regulatory requirements in which we operate.

We adhere strictly to the HMRC Standard for Agents as well as the ICAEW and CIOT 'Professional Conduct in Relation to Taxation' in advising clients and also in arranging our own tax affairs.

<sup>1</sup>So far as affecting UK taxation

Whilst we may seek tax reliefs in accordance with the applicable tax legislation our tax affairs are structured in a way which ensures that we never engage in artificial transactions or transactions that lack commercial substance. We also fully consider the impact our actions may have on our brand, our relationship with key stakeholders, such as the tax authorities, and the wider community. Ultimately, we aim to be a responsible partner in a vibrant economy.

### The level of risk in relation to UK taxation

Due to the scale of our business, risks will always be present as a result of our activities, particularly considering the complexity of the tax legislation. In order to minimise such risks, we have a focused approach to quality and risk and there are robust internal processes, which ultimately aim to ensure we remain compliant with all legal and regulatory requirements, including our tax obligations and payments. These processes change from time to time as a result of the evolution of the regulatory environment.

Our public interest role in a vibrant economy is based on trust and transparency - we do not engage in tax planning that will harm the public interest or damage the reputation of the business within the market. We recognise that our reputation is as important to our clients as it is to us.

### Our approach towards our dealings with HM Revenue and Customs (HMRC)

We operate an ethical policy of transparency and full disclosure with HMRC in connection with any tax services that we are engaged to perform for our clients and we apply the same principle to our own tax affairs, which is also based on fairness, mutual trust and respect. Our aim is to enable a constructive dialogue and engagement by all parties and this relationship is an important part of our commitment to developing our role within a vibrant economy. Any errors made in any submissions to HMRC are corrected and disclosed as soon as they are identified.

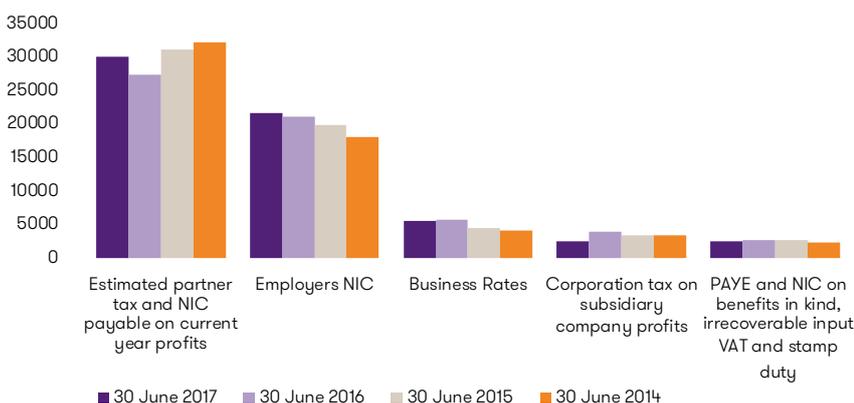
The tax legislation is complex and, inevitably, there are instances where our understanding of its applicability and Parliament's intent may differ from HMRC's. Whilst we seek to resolve any disputes through an open-minded approach and collaboration with HRMC, we are also prepared to test principles through the Courts when divergence of opinions arises.

### Total UK tax contributions for Grant Thornton UK LLP

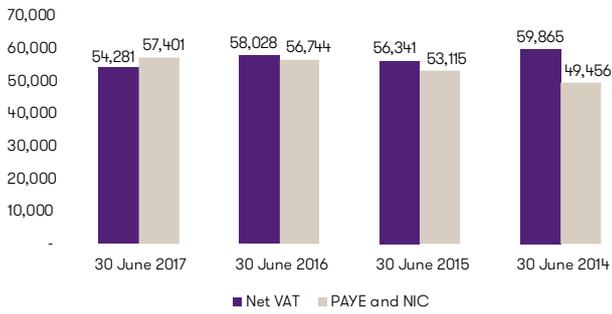
Our contribution to a vibrant economy can be seen in our tax figures below (FY to 30 June):

	2017	2016	2015	2014
<b>Taxes borne (£'m)</b>	62.3	60.9	61.6	60.0
<b>Taxes collected (£'m)</b>	111.7	114.8	109.5	109.3

### Taxes paid or payable



## Taxes collected



## Taxes borne and Taxes collected



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An instinct for growth™