

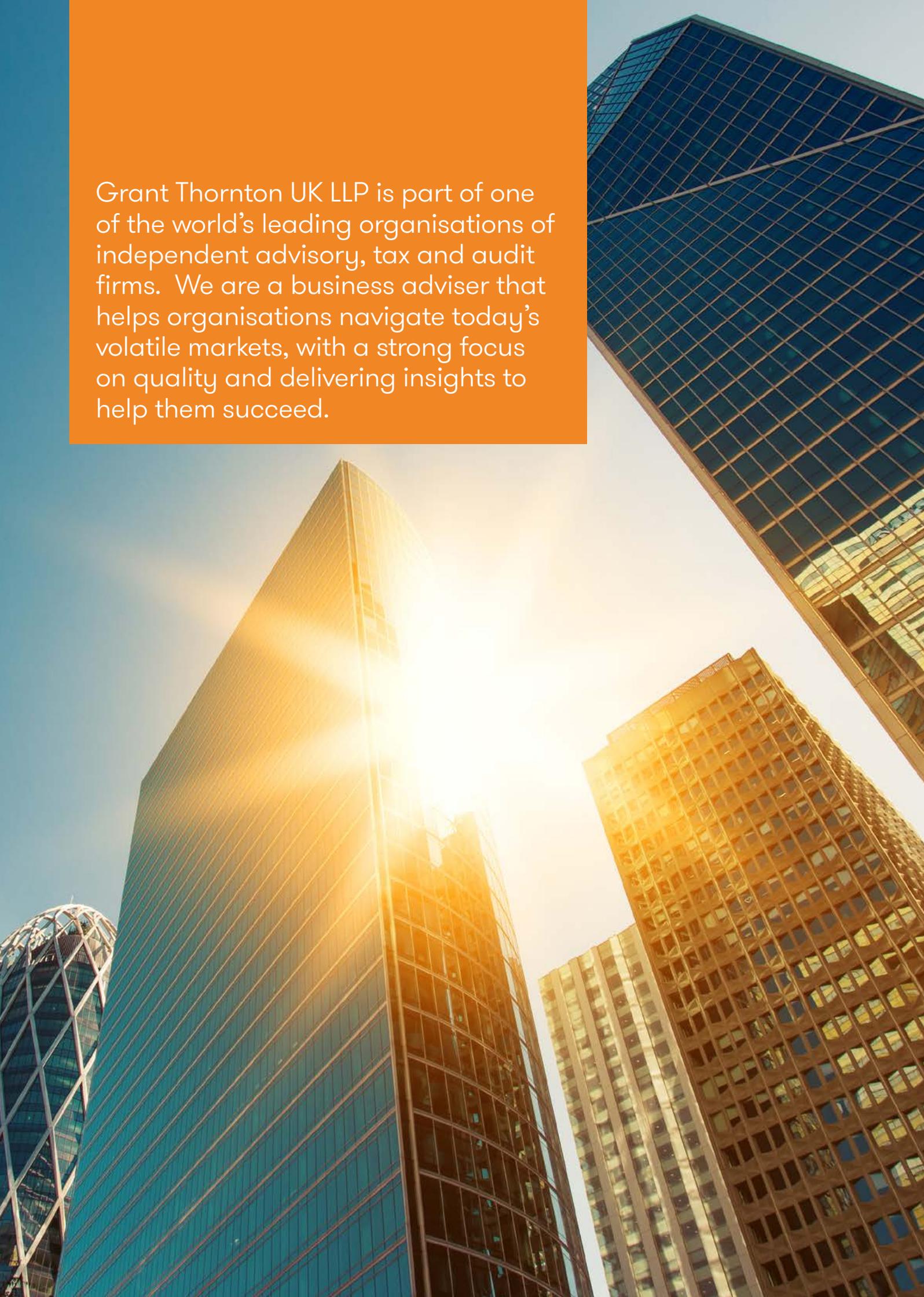
# Grant Thornton

## Who we are

2020



Grant Thornton UK LLP is part of one of the world's leading organisations of independent advisory, tax and audit firms. We are a business adviser that helps organisations navigate today's volatile markets, with a strong focus on quality and delivering insights to help them succeed.



We help businesses to achieve their objectives. We work with the public sector across a range of areas and work with regulators and financial institutions to build trust and integrity in markets. We can also call on a global network of some 50,000 people in over 135 countries.

### Scope

We have always supported the creation of a simple, transparent tax regime that is applied consistently. The publication of our tax strategy is fully aligned with our view of the benefits widespread transparency brings to our society.

This tax strategy applies to Grant Thornton UK LLP and to the entities listed below for the period from 1 July 2019 to 31 December 2020 (reflecting our change of year end and covering the period from our last published Tax Strategy to 30 June 2019). 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.

- Grant Thornton Business Services
- Grant Thornton Services LLP
- Grant Thornton ARF Limited
- Grant Thornton Forensic Services Limited (formerly Grant Thornton Acquisitions Limited)
- Grant Thornton Acquisitions No. 2 Limited
- Grant Thornton Limited
- Carnoustie Consultants Limited

### The approach to risk management and governance arrangements

- a Ultimate responsibility to determine and implement 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, with oversight from the Partnership Oversight Board (POB), which provides governance over the SLT on behalf of the members (the 'partners') and other stakeholders. The CEO is empowered to appoint the SLT members.
- b The SLT communicates regularly with the partners, employees and stakeholders on a wide range of issues including strategy implementation, professionalism and quality, current developments and the firm's values in action.
- c One of the changes we made in the period to 31 December 2019 was to align our operational structure to our service line management and oversight. The SLT was realigned in September 2019 and a new Head of Tax was appointed at that time.
- d The Head of Tax is a member of the SLT and is responsible for ensuring that quality and risk management processes are at the heart of everything that we do for our clients and ourselves. Our tax professionals act with integrity, energy, and have the courage to inspire others and have the responsibility to ensure a culture of quality across the firm.
- e We are a responsible and sustainable business that maintains the highest standards of legal, ethical, social and environmental conduct, and complies with all applicable laws and regulations in all the countries in which we operate. We work to make a positive contribution to ethical business practices, improve the quality of life and protect the environment and expect the Third Parties we work with to do the same. [Our Third party code of conduct](#) requires any Third Parties wishing to provide goods and services to us to confirm that they comply fully with all relevant laws and regulations including those in relation to taxation and sets out the minimum standards of behaviour we expect. The firm's policy is that risk-based Financial Due Diligence is applied to all Third Parties and our client acceptance and continuation processes specifically address consideration of the clients we want to work with.

### **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 and we fully comply with the applicable legal and regulatory requirements in the areas 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.

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.

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



### 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 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 & 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, which is also based on fairness, mutual trust and respect to our own tax affairs. 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. Any errors made in any submissions to HMRC are corrected and disclosed as soon as practicable after 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 HMRC, we are also prepared to test principles through the Courts when divergence of opinion arises and we cannot reach agreement on the interpretation of the law.

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

Our contribution to the UK economy can be seen in our tax figures below (Please note the figures for 2019 are for the 18-month period to 31 December 2019; the figures for 2015-2018 are for the financial year to 30 June):

	2019*	2018	2017	2016	2015
<b>Taxes borne (£'m)</b>	92.9	60.2	62.3	60.9	61.6
<b>Taxes collected (£'m)</b>	181.2	111.9	111.7	114.8	109.5

\* 18-month period from 1 July 2018 to 31 December 2019.

