

## Tax strategy June 2022

### Scope

Staffline Group plc (“the Company”) is incorporated as a limited company, registered in England and Wales, under the Companies Act 2006. The strategy outlined in this document applies to the Company and to the group of companies headed by Staffline Group Plc (“the Group”) in accordance with paragraphs 16(2) and 22(2) of Schedule 19 (“the Schedule”) to the Finance Act 2016. A list of the entities to which it applies is set out below as Appendix One. In this strategy, references to “the Group” are to all these entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule by being included on the Company’s public website [www.stafflinegroupplc.co.uk](http://www.stafflinegroupplc.co.uk). References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Corporation Tax, PAYE, NIC and VAT. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Company has legal responsibilities.

### Introduction

The Group vision is to be a world class recruitment and training group, the clear market leader and trusted partner known for excellent service and integrity, driven forward by digital innovation.

The Group’s business activities incur a substantial amount and variety of business taxes including corporate income taxes, employment and other taxes. In addition, we collect and pay employee taxes and indirect taxes such as VAT. We operate policies and governance to ensure compliance with tax law.

In accordance with the Group’s commitment to transparency, this document sets out:

- Our approach to governance and compliance in relation to UK taxation
- Our approach to tax risk management
- Our attitude to tax planning and the level of tax risk we are prepared to accept
- Our approach towards dealings with the HMRC

### Governance and compliance in relation to UK Taxation

Staffline Group Plc is committed to full compliance with all statutory obligations and full disclosure to tax authorities. The Company’s tax affairs are managed in a way which takes into account the Company’s wider corporate reputation in line with the Company’s overall high standards of governance.

Ultimate responsibility for the Company’s tax strategy and compliance rests with the Board of Staffline Group Plc. Executive management of the Group is delegated by the Board to the Executive Directors, namely the Chief Executive Officer and the Chief Financial Officer (being the Senior Accounting Officer (“SAO”)).

## **Governance and compliance in relation to UK Taxation (continued)**

The Audit and Risk Committee's requirement to monitor the integrity of the Group's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation.

The Chief Financial Officer ("CFO") is the Board member with executive responsibility for tax matters. Day-to-day management of the Company's UK tax affairs is delegated to the divisional Finance Directors (Recruitment GB, Recruitment Ireland and PeoplePlus) and the central Group Finance team, each of whom reports directly to the CFO. Each of these individuals are appropriately qualified. KPMG LLP are retained as the Company's tax advisors and are widely consulted and engaged on all tax related matters.

The Board and Executive Directors ensure that the Company's tax strategy is one of the factors considered in all investments and significant business decisions taken. The CFO reports to the Audit and Risk Committee (twice a year) and the Board on Staffline Group Plc tax affairs and risks during the year, including changes in legislation.

An annual review of tax processes and procedures is undertaken to comply with the requirements of preparing the legal requirement to file a SAO certificate.

## **Tax Risk Management**

Staffline Group Plc manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax. We plan our taxes with reference to current, relevant legislation.

Staffline Group Plc operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Company's financial reporting system.

The Company seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and to ensure mitigating controls are in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.

# Staffline

Group PLC

## **Attitude towards tax planning and level of risk**

The Company's attitude towards tax planning is consistent with the 'Tax Principles' adopted, which are set out below. When entering into commercial transactions, the Company seeks to take advantage of available tax incentives, reliefs and exemptions in line with tax legislation. The Company does not undertake tax planning unrelated to such commercial transactions.

We do not prescribe acceptable levels of tax risk. We seek clarity within the law and evaluate the potential tax outcomes of our business transactions and we escalate tax risks and uncertainties to the relevant level within the Group to determine the appropriate management response.

At all times the Company seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

## **Relationship with HMRC**

Staffline Group Plc seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in the Group's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

The Company ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Staffline Group Plc discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

In all of the Group's dealings with HMRC, our approach is to be open, to co-operate fully with their enquiries in a timely manner and to be proactive in raising any significant issues or uncertainties. The Group has been allocated a Customer Relationship Manager and the Company ensures that regular dialogue takes place between the two parties.

## Tax Principles

Staffline Group Plc's UK Tax Principles are a written codification, for internal use, of the Company's UK approach to taxation and dealing with taxation authorities.

### Legal and ethical

1. We act lawfully and with integrity and expect the same from our people, our customers, tax authorities and other parties with whom we interact.
2. We respect the needs of our people and the communities in which we operate.
3. We will take into account our view of prevailing public interest considerations and of any potential reputational risk to the Company.
4. We shall not act in such a way as to undermine the structure of the tax system.
5. We shall not entertain arrangements that evade tax or that rely, to any extent, in the authorities' inability to collect it.
6. We shall not exploit social policy legislation (for example, tax reliefs for charities).
7. We will interpret legislation in a purposive way in line with the courts. We will not enter into transactions with the main purpose of securing a tax advantage clearly contrary to the intention of Parliament in enacting the relevant legislation.
8. We will not endorse the use of Umbrella companies in relation to the employment of contractors, except where transitional arrangements necessitate their temporary use.

### Legal and ethical

1. We support a relationship with tax authorities, based upon mutual trust and respect which will enable constructive dialogue and responsiveness by all parties in order to fulfil our responsibilities.
2. We shall comply with all our disclosure requirements. We shall disclose to the authorities, and not conceal, disguise, or misrepresent all material facts.

## Appendix One

### Full list of subsidiaries covered by this tax strategy

As of 31 December 2021, the full list of subsidiaries (each wholly owned, unless otherwise stated) within the Group are listed below, along with their country of incorporation and a brief description of each company's main trading activity.

This is included within the Group's list of subsidiary companies in the 2021 Group Annual report that was published in March 2022.

Name	Company registration number	Country of incorporation	Nature of business
Staffline Group Plc	05268636	England and Wales	Parent company
Staffline Recruitment Limited	03996086	England and Wales	Recruitment
PeoplePlus Group Limited	05722765	England and Wales	Skills & training
A4e Limited	02631340	England and Wales	Dormant
A4e Enterprise Limited	07657928	England and Wales	Dormant
Agency Plus Limited	06762590	England and Wales	Dormant
A La Carte Recruitment Limited	02814848	England and Wales	Dormant
Broomco (4198) Limited	07029342	England and Wales	Dormant
Datum RPO Limited	07741572	England and Wales	Recruitment
Driving Plus Limited	02436612	England and Wales	Transport
Endeavour Group Limited	09428044	England and Wales	Dormant
Eos Works Limited	06601702	England and Wales	Dormant
Eos Services Limited	02942368	England and Wales	Dormant
Eos Works Group Limited	06526478	England and Wales	Dormant
Experience Management Limited	07081331	England and Wales	Dormant
International Employment Group Limited	03875182	England and Wales	Dormant
Learning Plus System Limited	07619952	England and Wales	Dormant
Network Projects Limited	01736673	England and Wales	Dormant
Omega Resource Group Limited	03508252	England and Wales	Dormant
One Call Recruitment Limited	03683143	England and Wales	Dormant
Passionate About People Limited	07741669	England and Wales	Dormant
Softmist Limited	05947721	England and Wales	Dormant
IEG Limited	06982768	England and Wales	Dormant
Staffline Appointments Limited	02101263	England and Wales	Dormant
Staffline Holdings Limited	09033366	England and Wales	Dormant

# Staffline

Group PLC

Name	Company registration number	Country of incorporation	Nature of business
Vital Recruitment Limited	05748812	England and Wales	Dormant
Staffline Limited (was Staffline Recruitment Limited)	0525953	Republic of Ireland	Dormant
Staffline Recruitment (ROI) Limited (was Grafton Recruitment Limited)	201760	Republic of Ireland	Recruitment
PeoplePlus (Works) NI Limited	NI01873249	Northern Ireland	Training
Brightwork Limited	SC296104	Scotland	Recruitment
Brightwork Specialist Recruitment Limited (owned 64%)	SC338872	Scotland	Dormant
Warwickshire and West Mercia Community Rehabilitation Company Limited	08802535	England and Wales	Probationary services
Mercia Community Action CIC	08555598	England and Wales	Dormant
PeoplePlus Scotland Limited	SC304778	Scotland	Dormant
Omega Recruitment, Unipessoal LDA	516068750	Portugal	Recruitment

## Appendix Two

### Country by country reporting

It is increasingly important to various stakeholders and users of the accounts that it is clear a) in which countries the Group's revenues and profits are derived and b) in which countries the Group has significant operations. Accordingly, the table below reflects the relevant analysis for the financial year to 31 December 2021, showing that c97% or more of turnover, employees and gross tangible assets currently arise in the UK:

Country	Revenue £m	Profit/loss before tax £m	Reported total tax charge £m	Gross tangible assets £m	Average no. of permanent employees	Average no. of temporary employees
2021						
UK	914.8	(0.2)	1.7	6.7	2,305	36,950
Republic of Ireland	27.8	-	-	1.3	28	891
Portugal	0.1	0.1	-	-	3	3
<b>Total</b>	<b>942.7</b>	<b>(0.1)</b>	<b>1.7</b>	<b>8.0</b>	<b>2,336</b>	<b>37,844</b>
2020	927.6	(51.6)	3.1	9.6	2,357	43,163