



## **Practice Plus Group Tax Strategy**

Practice Plus Group maintains the highest standards of openness, honesty and accountability across all areas of the business. From a tax perspective, we commit to ensuring that the Group complies with all applicable tax laws, rules and regulations at all times, both within the letter and spirit of the law. Collecting and paying tax is an important contribution to our economy, society and communities and we are therefore committed to paying the appropriate amount of tax on a timely basis in all territories.

Our tax affairs are managed by suitably qualified tax professionals, supported where appropriate by external advisors. The tax team is integrated within the finance function to ensure that key financial transactions are fully understood and the inherent tax risks identified and managed proactively. We involve our tax team in all significant business developments, so that the associated tax consequences can be fully assessed in advance and the tax accounting impact can be reviewed on a pro-active and real-time basis. We aim to take a holistic approach to risk by working collaboratively with other central functions such as HR, legal and procurement. The tax team seeks to ensure it is up to date with tax changes, and educate the business of relevant impacts to them.

### **Guiding Principles**

The following guiding principles define our approach to tax related activities throughout all areas of the business:

- 1.** We will comply fully with all applicable tax laws and regulations, recognising the obligation of local governments to protect a sustainable tax base.
- 2.** We will interpret relevant tax laws in a reasonable way consistent with a relationship of “co-operative compliance” with tax authorities.
- 3.** We will only engage in reasonable tax planning that is aligned with our commercial and economic activities and which does not involve contrived or artificial structures or lead to abusive results.
- 4.** Tax is a business expense which needs to be managed, like any other, and we may therefore respond to legitimate tax incentives, exemptions and alternatives offered by governments, but in so doing will at all times show respect for the intention as well as the letter of the law
- 5.** The group will follow the terms of OECD guidelines and relevant Double Taxation Treaties in dealing with such issues as transfer pricing and establishing taxable presence.
- 6.** We will be open and transparent with tax authorities about our tax affairs and share all relevant information that is necessary for local tax authorities to review possible tax risks.
- 7.** We will seek to work constructively and collaboratively with local tax authorities to achieve early agreement on any disputed issues and certainty on a real-time basis, wherever possible.
- 8.** We will engage openly with relevant stakeholders to provide information on our policy for tax management, and the governance process which applies to tax decisions.



## **Managing Tax Risk**

Tax risk needs to be controlled and managed as systematically as any other corporate risk. This requires appropriate policies, systems and procedures to be in place to ensure that the tax impacts of all transactions are correctly identified and reported on a timely and accurate basis. Our guiding principles, as set out above, are intended to ensure that potential tax risk is minimised throughout all of our activities and all areas of the business.

PPG seeks to minimise unnecessary tax leakage, but only where it is in line with incentives and reliefs available (as introduced by the Government to encourage investment) under and in line with the spirit of the law. The Group claims Government tax reliefs such as capital allowances on fixed assets.

We adopt a conservative approach to tax risk management and apply a strong tax governance framework. Every business has a level of inherent risk which creates some uncertainty, but with proactive management, the Group seeks to minimise these risks. The Group seeks to ensure risks are not unduly increased, and does not use tax havens or artificial tax arrangements to avoid tax. PPG takes an active approach to risk management, including regular and proactive engagement with the Board through the Senior Accounting Officer.

We are accurate and timely with tax filings. The Group seeks to comply with all deadlines, with accurate and timely filings and payment of liabilities. Where errors are discovered, PPG seeks to rectify these as quickly as possible, alerting and working collaboratively with HMRC where appropriate. If we find a material tax uncertainty, then we seek appropriate external advice from reputable professional firms.

The Finance Director of each business unit maintains a register of the key tax risks (including all material tax risks) which could impact the business. This is reviewed on a regular and at least annual basis and any changes notified to the Head of Group Tax as soon as possible. Finance Directors will be required to sign off that all material tax risks are identified on the risk register as part of the year-end tax reporting process. The Group's Tax Strategy is reviewed and approved annually by the Board.

## **Working with Tax Authorities**

In all our interactions with Tax Authorities, we operate with integrity, trust and mutual respect. We foster a strong, open relationship with Tax Authorities. Within this framework, each legal entity will file timely, complete and accurate tax returns to the relevant authority. Tax liabilities due and payable will be settled by the statutory deadlines. To facilitate this, finance employees commit to ensuring they have understood and are fully aware of critical filing and payment dates under local law.

In the UK specifically, we seek to work positively, pro-actively and transparently with HMRC and other stakeholders. We seek to maintain an open and honest culture in line with our core values. We work responsibly to protect not only patients and our workforce, but also our reputation with our stakeholders, including the NHS. PPG engages openly with HMRC through the Business Risk Review process, and also seeks to understand how the Group can continue to drive down its risk rating, in line with its ambition for continuous improvement.

*We consider this publication as complying with our duty under para 16(2) and para 22(2) sch 19 FA 2016.*