



Morson Group

Tax Strategy

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Scope

Following a majority investment in February 2024, the Morson Group is ultimately owned by Onex Corporation, an investment organisation registered on the Toronto stock exchange, however day to day management remains with Morson Group Ltd. References to 'Board' and 'the Board' are to the Board of this company.

Morson Group is a global recruitment and design consultancy firm, with a particular focus on the technical engineering sector. Further information about the Morson Group can be found on our website (1). The core business of the Group takes place in the UK (in 2023 over 95% of Group revenues derived from the UK). The Group also has subsidiaries and investments in several other countries, these are listed in the Group's accounts, available at Companies House.

This strategy applies equally to each member of the Morson Group in accordance with paragraphs 19 and 25 of Schedule 19 to the Finance Act 2016. In this strategy, references to 'Morson', 'the Morson Group' or 'the Group' refer to all subsidiary companies. The strategy has been published in accordance with paragraph 16(4) of the Schedule by being included on the Morson Group's external website.

This strategy is published on 23 December 2024, however it applies until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the above Schedule. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which Morson has legal responsibilities.

1. <https://www.morson-group.com/our-brands>



Overview

- Morson is committed to compliance with all statutory obligations and associated disclosure to all relevant tax authorities.
- Tax compliance is closely managed by the Board, with support of the Group's in-house tax function and finance teams. The Group engages with professional advisors both in the UK and overseas to manage tax compliance appropriately and ensure all taxes are paid in full and on time.
- The Group takes its obligations under the provisions of the Corporate Criminal Offence (the 'CCO' rules) seriously by:
 - conducting an annual risk assessment.
 - setting out a formal policy governing the Group's position. This policy forms part of the induction pack given to new starters and has been circulated to senior staff. It is also shared with key suppliers as part of supplier contracts.
 - Formal CCO training for key internal stakeholders across the Group.
 - Performing compliance visits for our Umbrella preferred suppliers
- Morson is aware of the incoming corporate "failure to prevent fraud" offence and is seeking external guidance to ensure that the Group is prepared for when the legislation comes into effect on 1 September 2025.
- The Group has a low tax risk appetite and a zero tolerance approach to tax evasion. The Group does not engage in any tax planning schemes.
- The Group has an HMRC Customer Compliance Manager ('CCM') with whom it has a good and clear working relationship. The Group welcomes this contact and is pleased to work with HMRC in this manner.



Governance of Taxation

- Ultimate responsibility for Morson's tax affairs rests with the Board. The Senior Accounting Officer ('SAO') is a Board member.
- Individual Morson Group entities have appointed Directors, however these always include at least one member of the Board, and so there is Board oversight at all levels of the business into decision making and tax affairs. As such, the Board are appropriately placed to ensure that this tax strategy is considered at all levels of the business and in all major decisions.
- Day to day management of the Group's tax affairs is conducted by the Group Tax Manager, with support from heads of finance of the trading companies ('the Senior Finance Team'). The Group Tax Manager holds relevant tax qualifications and is considered to have the necessary expertise to identify and manage tax risks appropriately.
- The Senior Finance Team are experienced and have knowledge and expertise concerning the business, enabling them to support the Board and the Group Tax Manager in the governance of taxation.
- The Group is exposed to certain tax risks by nature of its industry sector, with recruitment and provision of temporary labour services an area which is frequently the subject of changes in tax legislation. This has been the case for many years and the Group holds much experience and understanding of its market.
- In order to manage the sector specific risks appropriately, the Board are assisted by a dedicated Compliance Director, who is responsible for ensuring that these changes are appropriately considered, evaluated, acted upon and communicated to internal and external stakeholders. The Compliance Director works closely with the business to monitor ongoing compliance and is assisted in this by the Group Tax Manager.
- The Group has continued to monitor and manage controls regarding the off-payroll working regulations which were extended to the private sector in April 2021.

- The Group has a zero-tolerance approach to tax evasion and the facilitation of tax evasion. Morson is committed to conducting all business in an honest and ethical manner and this commitment extends to compliance with both UK and non-UK tax regimes.
- The Group have reviewed and responded to the Employment Rights Bill introduced in October 2024. Morson are closely monitoring future developments and will respond to relevant consultations.
- Bespoke, formal CCO training prepared by an external training provider has been distributed to key internal stakeholders within the Group and will be monitored and updated not less than annually. The training is issued to all relevant employees across the group and a review is undertaken of new starters each month to determine if the training is required for their role.
- Morson has a defined management structure with the Board being readily accessible to the Compliance Director, the Senior Finance Team and the Group Tax Manager.
- External tax advisors from well-known global professional firms are engaged by the Group on both an ongoing basis for certain compliance management functions and on an ad-hoc basis where particularly complex or technical issues are identified or where high value transactions take place, for instance with significant M&A activity.



Risk Management

- The Group Tax Manager and the Senior Finance Team have regular dialogue with the Board, covering all areas of tax. The Board take a proactive stance to tax risk management, focused on risk prevention; regular information flow is considered to be an important primary risk management strategy.
- The Group Tax Manager is involved in all major business and corporate structuring changes in order to identify and manage tax consequences which may arise. Where the tax at stake is material, or the issues are complex or involve overseas jurisdictions, external advice is obtained.
- The Group engages with professional tax advisors in each jurisdiction in which it operates, including the UK. These advisors are appropriately qualified and have sufficient knowledge to advise the Group of its tax liabilities and assist in making sure these liabilities are paid on time.
- The Group Tax Manager conducts a regular risk review, with input from the Senior Finance Team and Compliance Director. Areas of risk will be discussed with the Board and/or the Senior Finance Team. These discussions also form part of the SAO sign-off process.
- The regular risk review is complemented with an annual review under the CCO rules. Any perceived risks identified will be discussed with the Board and appropriate steps suggested.
- The Group Tax Manager also has regular ongoing dialog with the SAO, the Compliance Director and the Senior Finance Team throughout the year.
- There is ongoing internal communications and training provided to the broader business on relevant areas of tax, as required.
- A key tax risk management goal for the Group is maintaining a low-risk rating under HMRC risk review guidance 'BRR+'. The steps required to retain this rating necessarily involve strong governance and risk management, so this goal generates compliance benefits for the business.





Attitude Towards Tax Planning and Level of Risk

- The Group seeks to ensure that the appropriate amount of tax is paid, consistent with its legal obligations in each country in which it operates.
- The Group takes its obligations under the CCO rules very seriously. A breach of these rules by an employee of the Group would be considered gross misconduct potentially resulting in dismissal. The Group does not engage in tax evasion or the facilitation of tax evasion in any form.
- The Group does not undertake any complicated tax planning schemes or structures, nor does it participate in any schemes required to be disclosed to HMRC.
- When entering into commercial transactions, Morson will claim available tax incentives, reliefs and exemptions in the spirit of and in line with the tax legislation.. Where a future tax treatment is expected to change, appropriate advice is taken.
- The Group does not undertake tax planning otherwise than as part of genuine commercial transactions.

Dealings with HMRC

- The Group has a CCM at HMRC, who is assisted by their colleagues in specialist areas, with whom it has regular discussions concerning its tax affairs.
- The Group has agreed an email protocol with HMRC to enable the Group Tax manager and the Senior Finance Team to liaise with HMRC quickly and simply, avoiding the need for formal correspondence and expediting resolution to any queries.
- The Group seeks transparency and honesty in its dealings with HMRC, taking a proactive attitude to keeping HMRC informed of key business developments.
- Morson also actively engages with HMRC on consultations which are relevant to its business.
- The Group is keen to assist HMRC in their understanding of recruitment agencies. Morson regularly participate in consultations and complete relevant surveys issued by third parties on HMRC's behalf including the most recent umbrella consultation
- Morson are aware of compliance change requirements beginning in 2026 in relation to agencies using umbrella companies. The Group will closely monitor these developments and introduce new processes as necessary to remain compliant.
- The Group is aware of the risk to wider the recruitment sector of Missing Trader Fraud. The Group takes appropriate advice and has measures in place to address this protecting the Group and our clients, also an external review of the Group's compliance processes was undertaken, with excellent feedback. In-person training has been delivered to finance and compliance staff.
- As part of HMRC's regular cycle of tax compliance activity, HMRC held their annual conversation with the Group Tax Manager, Finance Director and Senior Accounting Officer. The next risk review is expected to take place in 2026/27. The Group continues to be rated as a low tax risk business.

This Tax Strategy Document was approved on 23 December 2024.

Paul Gilmour

Chief Financial Officer

On behalf of the Morson Group Board