



Barrett Steel Limited - Tax Strategy

4 September 2024

Purpose, scope and background

This strategy, prepared in accordance with the obligation under Paragraph 16(2) of Schedule 19 of the Finance Act 2016, applies to the group headed by Barrett Steel Limited (the 'Company') which is a large privately owned company with operations throughout the UK.

This strategy is published for the period ending 30 September 2024 and applies from the date of publication until it is superseded. This Tax Strategy has superseded the Tax Strategy published in September 2023, however, the fundamental principles have remained unchanged due to the consistency of the Group's approach to taxation and the Group's operational structure.

This document is owned by the Group Management Board ('the Board') and will be reviewed annually, updated and approved by the Board.

References to 'taxation' include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, Stamp Duty Land Tax, and Customs Duty. Reference to 'tax' or 'taxes' are in relation to UK taxation.

The operations of the Company primarily include the sourcing of various grades of steel, performing or administering processing operations including sawing, drilling, heat treating, laser operations, profiling, shot blasting and painting, and then dispatch to third party customers primarily operating in the UK construction sector.

Governance

- Ultimate responsibility for Barrett Steel Limited's tax strategy and compliance rests with the Board.
- The Chief Financial Officer (CFO) is the Board member with executive responsibility for tax matters and strategy.
- Day to day management of Barrett Steel Limited's tax affairs is delegated to the Director of Financial Control (DFC) who reports to the CFO.
- The Group Management Board ensures that Barrett Steel Limited's tax strategy is one of the factors considered in all investments and significant business decisions taken.
- The DFC and CFO report to the Audit Committee and the Board on Barrett Steel Limited's tax affairs and risks during the year.

Our tax risks

Our business's internal governance has rigid levels of acceptable tax risk and given our ownership and executive management structure includes significant influence from our stakeholders.

The Board remains aware of regulatory changes impacting taxation, and will monitor any potential amendments as a result of the 2024 General Election.

How we manage tax risks

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

Eliminating tax risks entirely is impossible, therefore the Group's attitude towards the level of control required over the processes designed to reduce tax risks is driven by the likelihood and frequency of occurrence and scale of impact of each risk.

The accounting principles of the Group operations and consequently recognition of income and costs are non-complex which reduces the level of tax risk. Year on year there have been no changes to the operations which would have a significant tax impact.

The consistency in the systems used, as well as the chart of accounts of the individual operating locations, enables strong communication and comparison of required accountancy and tax practices.

Processes relating to different taxes are allocated to appropriate process owners who review activities and controls and identify risks. These risks are monitored for business and legislative changes and processes and controls are amended as required.

Tax risk is managed through regular communication with professional advisors and compilation of detailed cost breakdowns from which the Group can assess tax implications.

The accounting functions contain qualified accounting personnel who are responsible for the accuracy and completeness of financial information. The accounting functions of the operations are supported by the head office finance function which contains suitably qualified financial staff. There has been consistency in key accounting staff throughout the period.

The Group holds bi-annual accounting conferences, with regular content/presentations from professional advisors, to share latest accounting and tax developments. This forum also promotes discussion over current and future accounting and tax treatment, and confirms parameters set by head office. The Group continues to perform internal audits, with an audit program in place which rotates between depots across the Group, and includes procedures focused on areas of tax. Further ad hoc communications are issued to the finance team as required.

The Group has a wider responsibility as part of the Corporate Criminal Offences legislation. The legislation is considered in the Group's Tax Risk Assessment, which is updated annually. Furthermore, relevant departments within the business receive communications relating to the legislation where needed, and it is included within Director update meetings held annually.

Our attitude to tax planning

Our Company aims for a tax compliant strategy towards financial and operational decisions. We aim to operate within all tax legislation and will only seek to use agreed tax planning initiatives after consultation and advice from professional firms.

In this regard our tax planning motives are to pay the right amount of tax within legislative guidelines. We also aim for simplicity and certainty in our tax affairs wherever possible and to uphold the Group's corporate reputation.

We aim to maintain our low UK tax risk rating as assessed by HMRC (latest assessment date – Autumn 2023).

We consult professional firms on any potential significant changes to our operations or employee matters to achieve the above aims and to take advantage of technology solutions.

Working with HMRC

We communicate regularly with our HMRC CCM to ensure that HMRC is aware of significant transactions and changes to the Group, and we seek to discuss tax issues at an early stage and resolve issues in a timely manner. We actively engage with HMRC when requested, particularly on areas relating to policy change. Key staff also regularly attend HMRC technical update seminars.

When submitting tax returns, we disclose all relevant facts and supply comprehensive information openly and honestly.

Signed on behalf of Barrett Steel Limited

A handwritten signature in black ink, appearing to read 'Marcus Tyldsley', written in a cursive style.

Marcus Tyldsley

Chief Financial Officer