



## **Barrett Steel Limited - Tax Strategy**

**16 September 2020 (as amended 8 March 2021)**

### **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. The Company disposed of its trade and assets within its separate US subsidiary during the current financial year.

This strategy is published for the period ending 30 September 2020 and applies from the date of publication until it is superseded. This Tax Strategy has superseded the Tax Strategy published in September 2019, however, the fundamental principles have remained unchanged due to the consistency of the Group's approach to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 and Stamp Duty Land Tax. 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, shot blasting and painting and then dispatch.

### **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.

### **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 are minimal changes to the operations which would have a significant tax impact.

The consistency of 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.

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.

The Company disposed of its trade and assets within its separate US subsidiary during the current financial year. Advice was sought from professional advisors with regards to the tax implications of the transaction. The transaction is considered non-complex.

### **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 seek to take advantage of 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.

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 meet 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.

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

Signed on behalf of Barrett Steel Limited



Marcus Tyldsley - Chief Financial Officer