

Samworth Brothers

Tax Strategy 2018

Overview

This tax strategy for the Samworth Brothers Group is published in accordance with Schedule 19 of the Finance Act 2016. It sets out the strategy towards UK taxation adopted by the Samworth Brothers Group for the year ended 31 December 2018.

Samworth Brothers is a fourth-generation family business with a heritage dating back to 1896. A group of eighteen businesses of varying size, it manufactures and distributes high quality foods for the UK's leading supermarket, food service and convenience chains. The Group also owns the Soreen, Sci-MX, Ginsters and West Cornwall Pasty Co. brands.

The Group is proud of its heritage and philosophy, known as the 'Samworth Way', which focuses on the role of the business towards all stakeholders. Samworth Brothers has a deep commitment to people and communities and investing in the business with a long-term view. Being a responsible tax payer is part of that overall philosophy and commitment to our stakeholders.

Paying its fair share

As set out in the annual report, all Samworth Brothers' businesses and companies are registered for taxation in the UK and pay UK tax in full on their total profits and gains.

How Samworth Brothers manages its tax risks

The Chief Financial Officer has overall responsibility for tax matters at Samworth Brothers. He is supported by the Company Secretary and the finance team at the Group Centre. Each business in the Group has its own finance team, which is coordinated and overseen by the central team. All the finance teams have ongoing access to tax professionals to support them in all areas of UK taxation, including PAYE, NIC, VAT, corporation tax, stamp duty land tax and insurance premium tax. In addition, a system of review is in place for all the Group's statutory tax filings.

The preparation of corporation tax returns is outsourced to an appropriately qualified accountancy firm and reviewed by Samworth Brothers prior to submission. The review involves discussions of any areas considered to be contentious by either the Group or the advisors and, where necessary, agreement is reached as to an appropriate treatment. If there are any areas still considered to be contentious after these discussions then these are brought to the attention of the Group's Client Compliance Manager within HMRC.

The Chief Financial Officer and Company Secretary communicate with and advise the Board on the tax affairs and risks of the Group.

Samworth Brothers' attitude to tax planning and tax risk

The Group's tax planning always complies with both the letter and the spirit of current tax laws. The Group's shareholders and the Board have for many years stipulated that no artificial tax planning must be undertaken.

All transactions undertaken by the Group have a commercial purpose and the level of tax risk considered acceptable on any transaction is very low. The level of risk is considered via discussions with tax advisors and appropriate action to maintain a low level of risk is agreed in advance of undertaking a transaction.

Samworth Brothers does not set targets around effective tax rate and remuneration policies are not linked to the after-tax results of the business.

External advice is sought as appropriate to ensure that the Group complies fully with its UK tax obligations.

Working with HMRC

Samworth Brothers is open and honest in its dealings with HMRC. The Chief Financial Officer and Company Secretary keep HMRC informed of any developments in the business and they offer an annual briefing to review the results of the Group and to disclose any significant changes. The Group will continue to work and meet with HMRC on a regular and pro-active basis.

Any inadvertent errors are reported to HMRC promptly and with full disclosure.