

Tax Strategy – financial year ending 31 March 2018

Whitworths Holdings Limited and its UK subsidiaries (Whitworth Bros Limited, Carr’s Flour Mills Limited and F&A George Limited) (together, “Whitworths”) regard the publication of the information set out below as complying with the duty under Finance Act 2016, Schedule 19, para 16 (duty to publish a tax strategy) in the current financial year (the year ended 31 March 2018).

Contents

1. Introduction
2. Commitment to tax compliance and approach to tax planning
3. Relationship with HMRC and other relevant parties
4. Tax risk management and governance

1. Introduction

Whitworths is the UK’s largest flour miller operating from 8 main locations throughout the UK. The company was first established in 1886 and now has around 500 employees.

We produce bulk and bagged speciality flours such as pizza flours, chapatti flours, bespoke, bakery and other speciality flours for our customers who vary from large commercial food manufacturers and supermarkets to small local bakers and biscuit makers. We also produce a range of maize and rice products.

Other activities carried out by Whitworths include farming, estate management and forestry.

2. Commitment to tax compliance and approach to tax planning

Whitworths’ core values set out what is expected of everyone at Whitworths and our approach to tax particularly aligns with aspects from two of the values.

Our first core value is that we are a family business and treat everyone with respect and dignity. We hold ourselves to uncompromising ethical and legal standards through our day to day business conduct, employee and supply chain policies, environmental programs and practices, and our commitment to social responsibility and human rights.

Our third core value involves seeking to develop a culture of openness and trust within our teams.

Underpinned by the above, Whitworths is committed to complying with relevant tax law and practice in the UK in a responsible manner. For Whitworths, commitment means having an open, transparent, and constructive relationship with HMRC.

In order to minimise risk, we engage external expert advisers where necessary to ensure we meet our tax commitments.

We have a responsible attitude to arranging our tax affairs. We engage in efficient tax planning that supports our business and reflects commercial and economic activity in order to maximise value for our shareholders and employees. We conduct transactions between Whitworths' group companies on an arm's length basis.

We use government-approved reliefs, such as research and development tax relief. We do not engage in aggressive or artificial tax arrangements.

We do not set any targets or remuneration policies based on the after tax results of the business.

3. Relationship with HMRC and other relevant parties

We seek to have an open, transparent, constructive, and co-operative relationship with HMRC, with our approach based on honesty, integrity and respect. If there are areas of uncertainty, we work openly and constructively with HMRC to ensure a swift resolution.

Taking a risk-averse position on tax matters, Whitworths seeks to meet all payment and filing deadlines, operates a full disclosure policy, and responds to correspondence in a timely manner.

We also work with the National Association of British and Irish Millers (and other similar bodies when required) to promote the UK flour milling industry's views to UK government, parliamentarians, regulators, the media and other interested bodies.

4. Governance and tax risk management

The Company Secretary has responsibility for our approach to tax which is approved and overseen by the Board. The Company Secretary is also responsible for ensuring that effective policies and procedures are in place.

Tax risk management forms part of our overall internal risk management process. The Group Finance team supports the Company Secretary in completing a formal risk assessment identifying, evaluating and managing tax risks and accounting for them appropriately. Each division of the business also has their own separate finance team who report to the Group team.

In particular, and to ensure compliance with Senior Accounting Officer rules, we operate a yearly audit programme ensuring we have appropriate tax accounting arrangements covering Corporation Tax, VAT, PAYE and Stamp Duty, which includes regular testing to monitor controls and compliance process effectiveness.

The Company Secretary and Group Finance team maintain membership of relevant professional bodies and attend external training sessions/seminars as required to keep their knowledge up to date, ensuring they are appropriate persons to undertake this work.