

## Scope

The Southern Co-operative Limited (the “Society”) is a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

This strategy applies to Southern Co-op and to the group of companies headed by The Southern Co-operative Limited in accordance with paragraphs 19 and 25 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to ‘Southern Co-op’, ‘the Society’ or ‘the Group’ are to all these entities.

This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which Southern Co-op has legal responsibilities.

## Aim

Southern Co-op is committed to full compliance with all statutory obligations and full disclosure to tax authorities. The Society’s tax affairs are managed in a way which takes into account our wider corporate reputation in line with Southern Co-op’s overall high standards of governance.

We consider tax to be a contribution to wider society rather than simply a cost to be minimised. We are committed to paying all the taxes that we owe in accordance with the spirit of all tax laws that apply to our operations. We will ensure that we report our tax affairs in ways that reflect the economic reality of the transactions we actually undertake in the course of our trade.

## Accounts and Officers

Our accounts will be prepared in compliance with this policy and will seek to provide all information that users, including HM Revenue & Customs might need to properly appraise our tax position.

Greg Wilkins, Finance Director of the Society, shall be responsible for overseeing the application of this policy. He shall be assisted by Luke Hector, Group Tax & Development Accountant for the Society, who is a registered member of the Chartered Institute of Taxation in the UK.

The Board will review this policy annually to ensure that it is complied with and suggest any amendments that can be made.

## Risk Appetite and Attitude to Tax Planning

Southern Co-op operates a system of tax risk assessment and controls as part of our overall internal control framework of the Society. Southern Co-op seeks to reduce the level of tax risk arising from its operations as far as is reasonably practical by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations. Advice is sought from third party tax advisors where appropriate.

Opportunities will be taken to reduce the effective rate of tax and enhance profits for the benefit of the members without adopting an attitude to tax risk that could expose the Group to adverse scrutiny or litigation which might weaken the Group’s brands.

All tax planning propositions will be individually assessed to identify those solutions that best align with business objectives and add value without exposing the Group to unacceptable risk. Where appropriate alternative routes exist to achieve the same commercial result, the most tax-efficient approach should be recommended; however, tax planning transactions having no commercial purpose other than the avoidance of tax, or which carry unacceptable reputational risk, or which are not aligned to the Group’s overall strategy will not be undertaken.

## **Our Views on Anti-Avoidance**

The Disclosure of Tax Avoidance Schemes Regulations are operated by HM Revenue & Customs, which require the disclosure of arrangements intended to give a tax advantage in specified circumstances, which may be considered contrary to the spirit of the law.

The Society will never undertake transactions that would require notification to HM Revenue & Customs under these regulations or participate in any arrangement to which it might be reasonably anticipated that the UK's General Anti-Abuse Rule might apply.

We believe tax havens undermine the UK's tax system and whilst we may trade with customers and suppliers genuinely located in places considered to be tax havens we will not make use of such places to secure a tax advantage for the Society.

## **Relationship with HMRC**

Southern Co-op seeks to have a transparent relationship with HMRC through regular meetings and communication in respect of developments in the Society's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

Southern Co-op ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Southern Co-op discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.



M Hastilow - Chairman

## List of Entities covered by this Tax Strategy

- The Southern Co-operative Limited** – Co-operative & Community Benefits Societies Act 2014 - 1591R
- Southern Co-operative Dairies Limited** - Co-operative & Community Benefits Societies Act 2014 - 24986R
- Mutual Services (Portsmouth) Limited** – Companies Act 2016 – 5904980
- Southern Co-operative Funerals Limited** – Companies Act 2016 - 382640
- Co-operative Franchising Limited** – Companies Act 2016 - 6492138
- Mutual Associates Limited** – Companies Act 2016 - 2207748
- Southern Co-operative Properties Limited** – Companies Act 2016 - 5016485
- Southern Co-operative Retailers Limited** – Companies Act 2016 - 2301593
- Co-operative Independent Living Limited** – Companies Act 2016 - 6538560
- South of England Funeral Partners Limited** – Companies Act 2016 - 6961496
- Sussex Woodlands Limited** – Companies Act 2016 - 6542570
- East Devon Crematorium Limited** – Companies Act 2016 – 7158852
- Southern Co-operative (SIP) Trustee Limited** – Companies Act 2016 - 7189036
- South of England Natural Burials Limited (non-trading)** – Companies Act 2016 – 8322729
- Caring Lady Funeral Directors Limited (non trading)** – Companies Act 2016 - 8159436
- Caring Ladies Funeral Directors Limited (non trading)** – Companies Act 2016 – 3102001
- J Edwards & Son (Funeral) Directors Limited (non trading)** – Companies Act 2016 – 1256971
- SCL (Members) Trustee Limited (non trading)** – Companies Act 2016 – 3397456
- TSC Pension Trustee Limited (non trading)** – Companies Act 2016 – 0365510
- Cherque Farm (Management) Limited (non trading associate co)** – Companies Act 2016 - 5702316