

Softcat plc Tax Strategy

Who we are

Softcat (“the Company”) is a leading UK provider of IT infrastructure products and services. We are passionate about outstanding employee satisfaction and world-class customer service - both of which inspire our flexible and friendly approach to business.

We provide organisations with workplace, datacentre, networking and security solutions, combined with all the services required to design, deliver and support these, both on premise or in the cloud.

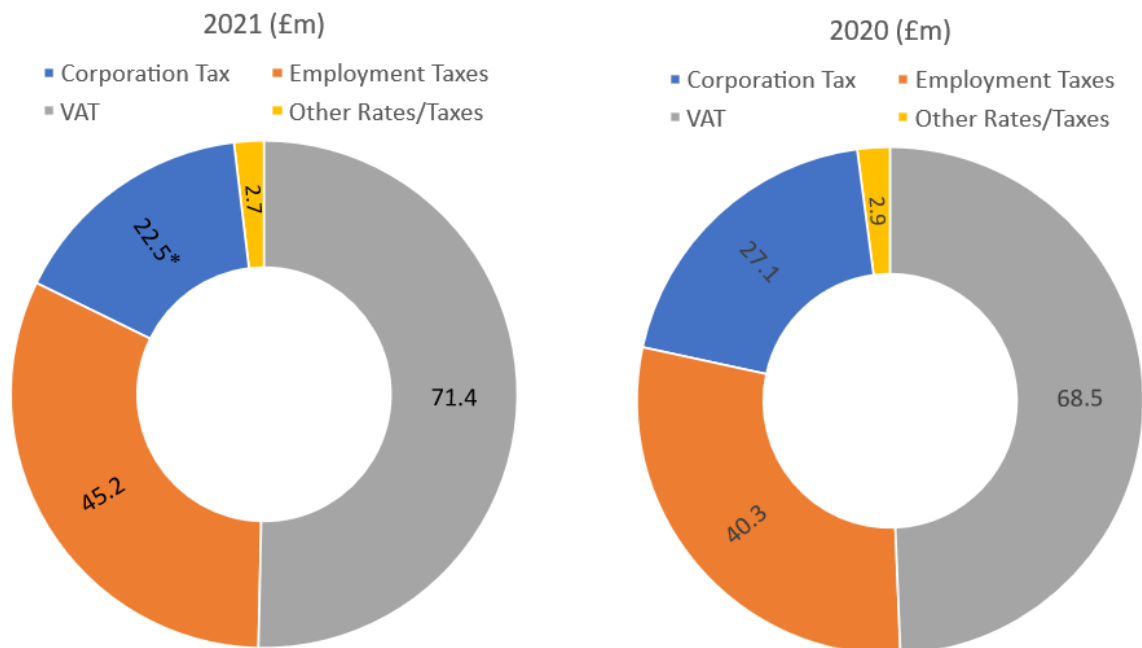
Primary tax objective

Softcat's primary tax objective is to ensure that it pays the right amount of tax, in the right jurisdiction, at the right time, as dictated by both UK and local legislation.

This tax strategy is compliant with the UK tax strategy publication requirement as set out in Paragraph 16(2), Schedule 19 of the Finance Act 2016 and relates to the accounting period ending 31 July 2022. The tax strategy is approved by the Board of Directors and the strategy is in line with the Softcat values and overall company strategy and operation.

Our tax contribution

In Softcat's 2021 financial year, our total tax contribution to the UK economy was £141.8m (2020: £138.8m). This includes not just corporation tax but also payroll taxes, VAT and other business rates and taxes. Our UK tax contribution by tax type in 2021 and 2020 is below:



*The corporation tax and quarterly payment profile to HMRC changed during the 2020 financial year. This resulted in six payments in FY20 and returned to the normal four instalments in FY21, hence the higher Corporation Tax figure in 2020 compared to 2021

Management of UK tax risks

The Company's tax strategy is reviewed and approved annually by the Audit Committee and the Board. The Board has delegated the responsibility for the execution of the strategy to the Chief Financial Officer ('CFO') who communicates with and advises the Board on the tax affairs of the Company.

The CFO is kept up to date with the tax affairs and risks of the Company by the Finance Director. Any matters of risk are raised with the CFO promptly and dealt with as a matter of priority. Material commercial matters are discussed internally, and external professional advice is sought in relation to complex or non-routine matters. The CFO is also the nominated Senior Accounting Officer (“SAO”) and as part of those duties, the CFO affirms the tax accounting arrangements are fit for purpose and the Company delivers correct and complete tax returns in all jurisdictions.

The Finance Director is responsible for the day to day running of the Company’s tax affairs and compliance, supported by an internal tax function and external advisors.

We have and will continue to respond to changes in tax regulations which require increased automation and digitisation. We have ensured compliance with the Making Tax Digital (MTD) rules for VAT reporting in the UK and will continue to monitor the HMRC position on MTD for Corporation Tax, to ensure we are prepared and ready for any change in reporting obligations, as it arises.

Approach to tax planning

Softcat is a responsible taxpayer and will not enter into tax schemes designed to avoid tax or otherwise wilfully seek to avoid paying the right amount of tax. Softcat has a zero-tolerance approach to tax evasion and the facilitation of tax evasion by anyone associated with the business.

Approach to the level of risk the Company is prepared to accept

As a large and expanding organisation with a high volume of transactions, Softcat is exposed to a variety of tax risks. We seek to proactively minimise this risk in line with the primary tax objective described above. The team responsible for the tax matters of the Company have adequate training and have a reasonable level of experience (including suitable qualifications) to carry out their tax related responsibilities and identify risks on an ongoing basis.

Controls are in place for all material transactions to be reviewed by the Tax Manager, to ensure compliance with local laws, the Company’s tax strategy and the values of the Company. In addition, where appropriate, external professional advisers are engaged to provide advice to disclose and resolve issues, risks and uncertain tax positions in real time, to ensure compliance.

Approach of the Company towards its dealings with HMRC

The Company maintains an open and honest relationship in its dealing with HMRC and will seek to work in partnership with them in relation to its tax dealings. In the event of an inadvertent error, full disclosure will be made as soon as practicable, and the Company will make appropriate disclosures in line with the legal requirements and criteria set out by HMRC.

The Tax Manager maintains a good working relationship with HMRC via its dedicated Customer Compliance Manager (CCM) and through this relationship has a direct avenue to discuss any outstanding tax matters, to reach a mutually beneficial outcome.

Approval of the Company tax strategy

The Softcat plc tax strategy document was approved by the Board of Softcat plc on 18 May 2022.