Introduction

From our humble beginnings as a single sandwich shop, Pret has always had ambitions to contribute positively in this changing world and to engage honestly with our customers. Supporting the transparency that is brought about through recent tax legislation is something that aligns with our endeavour to do the right thing.

This document is published in accordance with the requirements under Paragraph 16(2), Schedule 19 of Finance Act 2016, for the publication of a tax strategy in the financial year ended 3 January 2019.

Our approach to tax

Pret’s objective is to be a responsible tax payer and operate both within the letter and spirit of the legislation, in line with our core value of “Doing the Right Thing”.

Pret’s tax strategy is approved by the Board of Directors. This is reviewed annually to ensure its implementation remains suitable, effective and aligned with our core company values, together with the specific HMRC requirements towards risk management and governance, our attitude to tax planning, the level of tax risks that we are willing to accept and our approach to dealing with HMRC.

Our approach to risk management and governance in relation to tax

The ultimate responsibility for Pret’s tax strategy remains with the Board of Directors of the group.

Pret is an international group, complying with tax laws and paying taxes in the countries in which we operate, namely the United Kingdom, the USA, Hong Kong, France and China.

Pret’s Senior Accounting Officer ensures that the group complies with the requirements to maintain and continually improve the tax accounting arrangements and tax risk identification process. The responsibility of the day to day tax affairs are managed by individuals within the Finance Department. This is supported by regular communication with suitably qualified external advisors and through discussion at the Audit Committee.

Our Attitude towards tax planning

Pret is committed to paying the right amount of tax at the right time.

Pret does not take an aggressive stance in its interpretation of tax legislation and does not use ‘tax havens’ to reduce the group’s corporation tax liability nor does it use marketed or aggressive tax avoidance schemes. Pret is committed to significant investment in new shops and, where possible, will utilise the framework of business reliefs that are available, such as capital allowances.

External tax advice is sought where there is uncertainty over the interpretation of new or existing legislation, or where there are technical areas which are sufficiently complex enough to warrant external third-party guidance.
The level of tax risk that Pret is willing to accept

Pret has a low threshold for tax risk in accordance with the stated objective to be a responsible tax payer.

Pret seeks to reduce the level of tax risks as much as is reasonably practicable. Where there is uncertainty to the application and interpretation of the law, Pret will seek external advice to assist our analysis and support the decision-making process.

Our approach towards dealing with HM Revenue & Customs (“HMRC”)

Pret meet to discuss significant transactions and changes in the business with HMRC, and is open and collaborative with our communications. We will endeavour to provide all requested information and maintain an open dialogue to resolve any requests from HMRC in a timely manner and to the best of our ability.