



UK Tax strategy statement

Avara Foods is one of the UK's leading food companies supplying chicken, turkey and duck to retailers, food service and food manufacturers. Our business activities are subject to various taxes, including corporation, employment and property taxes. We ensure we pay all direct and indirect taxes on time.

Our approach to tax risk management and governance arrangements

The governance of the business is led by the Executive Board of Avara Foods. Accountability for tax risk management is held by the Finance Director, acting as Senior Accounting Officer for the Avara Foods group of companies, who chairs a Tax Risk & Compliance team of senior management responsible for the day to day management of taxes. This team is also represented on the Risk Management governance team responsible for defining the business wide policy & standards for risk management and reports to the Executive Board.

We apply professional diligence and care in our management of the processes and procedures by which all tax related activities are undertaken and ensure that our tax governance is appropriate. This year we have undertaken a review of process controls & mitigations as part of integrating the new business and transfers of SAO responsibilities.

Tax risks can arise in a variety of ways such as compliance failures, inappropriate consideration of potential tax consequences or incorrect implementation. We aim to manage tax risk by planning and keeping up to date with legislative changes; through attendance at seminars or training and established tax advisory services provided by a professional third-party accountancy firm.

Our attitude towards tax planning

We focus on acting responsibly and complying with all relevant national laws, regulations and reporting requirements. We recognise our responsibility to pay an appropriate amount of tax and work to manage our tax affairs in a straightforward manner.

We do not engage in artificial transactions where the sole purpose is to reduce UK tax.

We seek tax efficiencies in accordance with the spirit of the law only where the arrangements would not impact upon our reputation, brand values, corporate and social responsibilities.

We seek external tax advice where we may have insufficient internal expertise due to recent taxation developments or a new or unusual situation such as a large or one-off transaction.

The level of tax risk we are prepared to accept

We recognise our responsibility to stakeholders to structure our tax affairs on sound commercial principles. We seek to use incentives and reliefs efficiently where appropriate to support the business sustainably mainly through Research and Development relief and Enhanced Capital Allowances for energy efficient equipment. We are committed to paying the right amount of tax at the right time in full compliance with the UK tax laws.

Our approach to dealings with HMRC

For UK tax purposes, we are a large business and have a Customer Compliance Manager (CCM) within HMRC. We have now aligned our point of contact with HMRC reflecting the new structure of the businesses within Avara Foods and we are developing an open dialogue with our new CCM. In circumstances of new or unusual transactions we will, where possible, seek pre-approval for any tax treatment.

We are working with our CCM on our BREXIT tax strategy and compliance given the levels of uncertainty and change regarding customs duties from a no-deal scenario.

We aim to be transparent in our relationship with HMRC. We provide all necessary and required information accurately and on time and engage with visits, audits or requests for further information. We take proactive action if we discover an error or omission by disclosing the situation and working to resolve it promptly and put in place measures to prevent recurrence.

This policy sets out the approach to our tax affairs and applies to Avara Foods Holdings, Avara Foods, Faccenda Foods, Freemans of Newent, Faccenda Foods (Lincs) and Cranberry Foods for the period ending 31st May 2019.

The board consider the publication of this information meets the duties as set out in the Finance Act 2016.