



## UK Tax Strategy Statement

Avara Foods is one of the UK's leading food companies supplying poultry 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 the Tax Risk & Compliance team continued to develop the documentation of process controls & mitigations, creating action plans & delivering continuous improvements.

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. This year there were specific training updates on VAT. There were also continual internal briefings and reviews of the latest Brexit developments which would potentially have specific tax impact on the business. This work will continue until the final Brexit negotiations are confirmed later in 2020. Tax advisory services provided by a professional third-party accountancy firm were utilised to assess the tax impact of IR35 on the business which has now be postponed until April 2021.

### **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 regular contact with our CCM and have been actively seeking advice through this channel on various topical matters including Brexit, IR35 and Covid19. With their guidance we ensure that we plan in advance and are prepared for any changes in tax legislation that may impact the business.

We successfully adopted the new Making Tax Digital VAT submission process in November 2019 within HMRC timelines.

We aim to be open and transparent in our relationship with HMRC, always giving advance notice of any planned changes to the business. 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 2020.

This was approved by the Avara Foods Holdings Board of Directors on 21<sup>st</sup> May 2020.

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

