



## 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 and in full. We have not claimed any reliefs arising from Covid, whether administered by HMRC or other public bodies, as our key worker status and continued operations throughout this period to provide food to the UK meant we considered it inappropriate to do so.

### **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 developed further the documentation of process controls & risk 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 including through attendance at seminars or training and by holding regular update meetings with our external tax advisers. This year seminars and topics discussed covered, VAT, changes to corporation tax and capital allowances, and particularly changes arising from Brexit.

### **Brexit**

As the changes associated with Brexit were so significant a dedicated working group was formed well in advance of the final transition deadline to plan, understand, react and implement the necessary changes. External advice on specific elements was taken notably to clarify responsibilities and effective reporting of export VAT and duties within EU countries.



## **IR35**

Whilst the implementation of IR35 was delayed from April 2020, our supplier onboarding process was revised to include an IR35 assessment and specific existing risks identified were acted upon. The programme of risk assessment has been refreshed ahead of the revised April 2021 deadline.

### **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 or primary purpose is to reduce UK tax.

We seek tax efficiencies in accordance with the spirit of the law only where those 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 and have already briefed the Executive Board on the opportunities presented around the capital allowance Super Deductions announced in the 3 March 2021 Budget and Research and Development relief.


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 have maintained for three years a Low Risk tax rating. The Low Risk rating was re-confirmed following a business risk review with our CCM in May 2020.

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 29th May 2021.

This was approved by the Avara Board of Directors on 22<sup>nd</sup> April 2021.

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

