

Tax Strategy

Introduction

Vestey Holdings Limited and its subsidiaries (“the Group”) provide import and distribution services to a range of customers from the wholesale market to the retail sector and the end user. The Group operates in seven countries in three main geographical regions: UK, Mainland Europe and the Middle East.

This is the Group’s first published tax strategy, having been approved by the Board of Directors on x December 2017. This strategy will be reviewed and updated annually, following further approvals by the Board. Our tax strategy is outlined below, and outlines the Group’s attitude towards tax risk, tax planning and interactions with HMRC.

The Group is committed to the delivery of the tax strategy and this will be owned by the Group’s Chief Financial Officer, in conjunction with the Group’s senior finance team. This tax strategy applies to all taxes, and the key principles of the strategy are:

- The Group is committed to paying the correct amount of tax due under UK and overseas legislations whilst maximising available reliefs in the way legislation intended.
- The Group has a low appetite for tax risk, and seeks certainty through open and collaborative dialogue with the relevant tax authorities.
- The Group is proactive in its management of tax risk and, in the course of this, its interactions with tax authorities.

Risk Management and Governance

The Group’s greatest tax risk areas are identified by considering areas of high value taxation, new and unfamiliar transactions, or transactions with which there exists inherent tax complexity or uncertainty. Internal focus is directed to these higher risk areas, with external advisers also engaged by Group Finance when required. External advisors are used to support the Group where additional resource or expertise is required to mitigate these tax risks. **UK tax** is a significant cost and risk area to the Group, and as a result is an area of focus for the Board and the Group’s finance function.

Tax is the ultimate responsibility of the Group’s Chief Financial Officer, who is also the Group’s Senior Accounting Officer. The Group’s central finance function develops the Group’s tax strategy and underlying policies, and ensures that appropriate knowledge and training is in place across the Group. Within central finance function the Group Finance Controller covers the position of Group Tax Manager and he, along with the finance functions within the operating businesses, manages day to day taxation matters. The calculation and deduction of payroll taxes (including benefits), is managed by external payroll bureaus, although this process is controlled by policy and process documents which are managed by the Human Resources Department for large subsidiary companies and the finance department for smaller companies.

Taxation risk is mitigated through internal procedure and the use of specialists where appropriate. Where there is uncertainty over a tax filing position, the Group seeks specialist external advice or liaises with HMRC on a real-time basis around the transactions to discuss the appropriate tax treatment. Further to seeking specialist advice, there may still exist inherent risk and uncertainty with regards to a specific filing position. When assessing the level of any remaining risk the Group takes a balanced and cautious approach.

Tax Planning

This Group seeks to arrange its affairs in such a way as to ensure that it maximises all available claims and reliefs under UK tax legislation and in the manner in which the legislation was intended. The Group continues to have a strong focus on compliance with all applicable tax legislation and maintains tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK.

The Group's focus on its core corporate values demonstrates the Board's focus on ensuring that group companies operate in a responsible way. The Group's attitude towards tax planning fits into this framework. The focus of the Group is to align its business structure with the commercial and economic activity of the Group and any acquisition/restructuring is undertaken for bona fide commercial reasons and not primarily with tax planning in mind.

Level of risk in relation to UK taxation

The Group is prepared to accept a low level of risk in relation to UK taxation and does not pursue aggressive tax planning arrangements. We seek to be efficient in our tax affairs but ensure that any planning is based on sound commercial principles. We will take advantage of the reliefs and incentives that exist but show respect for the intention of the law, as well as the letter of the law.

Relationship with HMRC

The Group is committed to working collaboratively with HMRC, through open and transparent dialogue to ensure it is compliant with all its compliance and filing obligations. The Group has a proactive working relationship with HMRC and continues to engage with HMRC on a real-time basis.

The Group regard this document as complying with the duty under paragraph 16(2), Schedule 19, Finance act 2016 to publish a group strategy document.