

ADDO FOOD GROUP TAX STRATEGY

MARCH 2020

SCOPE

This strategy applies to the group of companies headed by Addo Food Group (Holdings) Ltd in accordance with paragraph 16 (2) of Schedule 19 to the Finance Act 2016. The list of entities to which it applies is:

- Addo Food Group (Holdings) Ltd,
- Addo Food Group (Midco) Ltd,
- Addo Food Group (Services) Ltd,
- Addo Food Group Ltd,
- Pork Farms Ltd and
- Pork Farms Caspian Ltd.

References to 'Addo' or 'the group' are to all these entities. References to 'UK taxation', 'tax', 'taxes' or 'taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include income tax, corporation tax, PAYE, NIC, VAT insurance premium tax and stamp duty land tax.

AIM

Addo is committed to full compliance with all statutory obligations and full disclosure to tax authorities. The group's tax affairs are managed in a way which takes into account the group's reputation and in line with Addo's high standard of governance.

GOVERNANCE

- Ultimate responsibility for Addo's tax strategy and compliance rests with the board of Addo Food Group (Holdings) Ltd.
- Executive management of the group is delegated by the board to the Executive Directors
- The Group Finance Director is the Executive Director responsible for tax matters and the Senior Accounting Officer (SAO).
- The day-to-day management of Addo's tax affairs is the responsibility of the Group Financial Controller, who reports to the Group Finance Director.
- The Group Finance Director, the Group Financial Controller, Group Financial Accountants and the Site Finance Managers are appropriately qualified.

RISK MANAGEMENT

- Addo operates a system of tax risk assessment and controls as a component of overall internal control framework applicable to the group's financial reporting system.
- Addo seeks to reduce the level of tax risk arising from its operations, as far as is reasonably practicable, by ensuring reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.
- Processes relating to different taxes are allocated to appropriate process owners who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes and controls are made when required.
- Appropriate training is carried out for staff who manage processes that have tax implications.
- Advice is sought from professional tax advisers where appropriate. Addo's principal tax adviser is KPMG.

ATTITUDE TOWARDS TAX PLANNING AND LEVEL OF RISK.

Addo manages risk to ensure compliance with legal requirements in a manner that ensures payment of the right amount of tax.

When entering into commercial transactions, Addo seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation.

The level of risk which Addo accepts in relation to taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Addo seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction the Board is ultimately responsible for identifying risks and determining what actions should be taken to manage those risks having regard to the materiality of the amounts and obligations in question.

RELATIONSHIP WITH HMRC

Addo Food Group seeks to have a transparent relationship with HMRC. When submitting tax computations and returns to HMRC, the group discloses all relevant facts. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.