

## FRESCA GROUP LIMITED TAX STRATEGY



This document, approved by the Board of Fresca Group Limited, sets out the policy and approach to managing UK tax compliance and the UK tax risks of Fresca Group Limited and our subsidiaries. This Tax Strategy has been prepared in accordance with Schedule 19 of the Finance Act 2016.

### **The Group's approach to UK taxation risk management and governance arrangements.**

Our approach to risk management and governance arrangements in relation to UK taxation is consistent with our intent to be a good corporate citizen. We believe we must contribute fairly, through the tax system, to the cost of providing a secure and robust business environment. It is not our intention to pursue a tax strategy which could bring into question the Group's reputation or damage the value of the Group. We will where possible simplify rather than complicate our tax reporting. Decisions over tax management and risks are the responsibility of the Board and particularly the Group Finance Director who is also our Senior Accounting Officer. The Group Finance Director monitors tax compliance through various business process controls and reports. The Board annually considers the robustness of this process via an annual SAO review process.

Our tax policy includes clear guidelines that provide a framework within which the business operates when making tax related decisions. This internal reporting framework is staffed with appropriate experience and qualification which supports compliance with our tax policy as well as ensuring that decisions over tax matters are given appropriate senior management attention. Staff attend regular training to ensure the internal framework is robust. Equally we seek certainty and depending on the circumstances will use a combination of our own internal tax resources and external specialists to ensure tax matters are fully considered.

The Fresca Group's UK activities represent a reasonably straightforward tax operating environment. We have transfer pricing agreements in place which require that transactions occurring across borders between Group companies are carried out at arm's length terms. Our UK businesses are stable and their associated tax matters are well understood. Our main UK tax risks arise from unusual or large transactions which are infrequent and at such times advice is sought from external specialists.

### **The Group's attitude towards tax planning**

Through our tax policy and internal governance, we seek to ensure that we comply with the intention of relevant tax legislation and hence pay the appropriate amount of tax, on a timely basis and in the correct locations. We aim to be fully compliant with UK tax laws and regulations and as such are not involved in tax planning other than that which supports genuine commercial activity.

### **The level of UK taxation risk the Group is prepared to accept**

We have a low threshold to tax risk. We believe this prudent behaviour helps to secure long term sustainability for our various businesses. In this regard we work closely with the UK tax authorities and have achieved low risk status as defined by HMRC for our UK activities. HMRC judges the tax risk of a business according to inherent (complexity, boundary and change), behavioural (governance, delivery and tax strategy) and contribution risk factors. Across all risk factors the Group has secured a low risk rating and the Board wishes to maintain this.

### **The Group's approach in its dealings with HMRC**

We actively seek to develop and maintain constructive relationships with HMRC. We engage in an open and clear manner and seek early dialogue to discuss relevant business events and transactions. The Group is open with HMRC about managing tax compliance across all relevant taxes and duties and raises material compliance issues and uncertainties with HMRC in real time. There is a low level of business change affecting tax obligations and the Group has appropriate tax accounting arrangements in place.