

# Harro Foods Limited - UK Tax Strategy

## Introduction

Harro Foods Limited (“the Company”) is a full-service importer, wholesaler and distributor of ambient and frozen Japanese style foods to restaurants and other food related businesses throughout the UK. The Company is a wholly owned UK subsidiary of Nishimoto Co., Ltd., which was established in 1912 in Japan and is involved in the development and sale of Asian food worldwide.

The purpose of this document is to set out the Company’s UK tax strategy for conducting its tax affairs and managing tax risk. The document addresses the following matters:

1. Governance arrangements in relation to UK taxation;
2. Risk management;
3. The Company’s attitude to tax planning;
4. The level of tax risk that the Company is prepared to accept;
5. The Company’s approach towards its dealings with HMRC

In this document, tax is defined as all kinds of direct and indirect tax including corporation tax, PAYE, VAT and customs and import duty.

## 1. Governance arrangements in relation to UK taxation

The ultimate responsibility for UK tax matters rests with the Board. However, the following duties are delegated to the Accounts Department which is responsible for the overall tax compliance:

- Ensuring that tax is calculated based on the profit of the accounts prepared in accordance with Generally Accepted Accounting Principles;
- Ensuring that taxes are paid on time and tax returns are submitted on time;
- Assessing the impact of changes in relevant tax laws and implementing the necessary course of action to deal with these changes;
- Claiming tax relief, where applicable, based on the relevant Double Taxation Agreement;
- Checking the overall accuracy of the tax returns and maintaining effective quality control;
- Consulting with external tax advisors on matters involving uncertainty or complexity

As part of the group governance, the Board and the Financial Controller have regular meetings with the Head Office regarding the Company’s financial information.

## 2. Risk management

The Company manages its tax risks and complies with statutory requirements to ensure payment of the appropriate tax amount as and when it is due. The Company believes its tax risks are effectively managed by the internal controls/group review process and by the use of external professionals, as outlined below:

- Within the Company, there is segregation of duties of key internal functions such as processing and reviewing tasks;

- The Company engages with external advisers and accountants to ensure tax compliance;
- The Company has its financial statements audited by an Independent Auditor on an annual basis;
- There is an effective monitoring control process which exists within the group;
- When there are changes in tax law and/or new tax compliance requirements, the Company liaises closely with its external tax professionals.

The Company complies with the Corporate Criminal Offence legislation which came into effect on 30th September 2017.

### **3. The Company's attitude to tax planning**

- The Company does not engage in aggressive tax planning arrangements that it believes would be contrary to the intentions of Parliament;
- The Company utilises tax incentives, reliefs and exemptions where these are explicitly permitted within the prevailing tax legislation;
- Professional assistance from external consultants in respect of judgemental tax matters is obtained, as and when required.

### **4. The level of tax risk that the Company is prepared to accept**

- The Company adopts a low-risk tax strategy and carefully considers the tax implications of all major transactions;
- The Company does not seek to engage in aggressive or artificial tax schemes which do not reflect genuine commercial activity;
- The Company's procedures and controls are designed to ensure that the tax risk will be managed to a reasonably low level.

### **5. The Company's approach towards its dealings with HMRC**

- The Company is committed to working with Her Majesty's Revenue and Customs ("HMRC") in a professional manner on all current, future and past tax matters;
- The Company aims to have a collaborative, transparent and proactive relationship with HMRC;
- Where there may be uncertainty in the application of UK tax law, the Company will seek proactive feedback from the tax authorities to ensure adherence to UK tax law.

In summary, the Company is committed to acting with integrity and collaborating with HMRC.

### **Approval**

The strategy has been approved by the Board of Directors and will be reviewed annually. It is effective from the accounting period which commenced on 1 January 2019.

The Company considers that the information above will satisfy the requirements on qualifying companies as legislated in Finance Act 2016 schedule 19, Part 2 paragraph 22.