

# **United Malt UK Tax Strategy – 2020**



## **United Malt UK Limited Tax**

### **Strategy Scope**

This strategy applies to United Malt UK Ltd and to the group of companies headed by United Malt UK Ltd in accordance with paragraph 10 of Schedule 19 to the Finance Act 2016 (the Schedule). A list of the entities to which it applies is set out below. In this strategy, references to 'United Malt UK Ltd', or 'the UK group' are to all these entities. The strategy is being published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK 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. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

This strategy is aligned to the global tax strategy of United Malt Group Ltd, the ultimate controlling party of United Malt UK Ltd and its subsidiaries.

### **Aim**

United Malt UK Ltd is committed to conducting its tax affairs consistent with the following objectives, to:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever it operates.
- Ensure the tax strategy is at all times consistent with United Malt's overall strategy, approach to risk, and Core Values.
- Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate.
- Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust.

### **Governance in relation to United Malt Group Ltd, the ultimate parent company, taxation**

Group Tax at United Malt Group Ltd adopts the following governance approach in relation to tax:

- The Board Audit and Risk Committee ("ARC") support the Board in fulfilling its oversight responsibilities with regard to risk management and compliance within United Malt, including tax risk.
- The Chief Financial Officer (CFO) owns and implements the tax strategy which aligns to the United Malt's Group's overall strategic approach set out by the Chief Executive Officer and approved by the Board.
- The CFO is the executive responsible for tax matters enabling the Board to remain abreast of the United Malt Group's tax affairs.

- Day-to-day management of United Malt Group's tax affairs is delegated to the United Malt Group Tax Team, who report to the North American Director of Finance and then to the CFO.
- The United Malt Group Tax team partners with our businesses to ensure that:
  1. The tax strategy is adopted and followed consistently across the United Malt Group which includes the United Malt UK Ltd entities, with clear lines of responsibility and accountability;
  2. There is alignment of the tax strategy with United Malt Group's overall approach to corporate governance and risk management; and
  3. The United Malt Group pays tax responsibly, complying with laws and regulations of the countries in which it operates.

### **Governance in relation to UK taxation**

The application of the Group Governance in relation to UK taxation is as follows:

- The UK Chief Financial Officer (UK CFO) owns and implements the UK tax strategy which aligns to the United Malt's Group's overall strategic approach.
- United Malt UK Ltd reports on a regular basis to the United Malt Group Audit and Risk Committee providing oversight with regard to risk management and compliance within United Malt UK Limited, including tax risk.
- Day-to-day management of United Malt UK Ltd's tax affairs is the responsibility of the UK CFO who consults and reports into the United Malt Group Tax Team who ultimately reports to the CFO who is the executive with responsibility for tax matters.
- The United Malt Ltd Group Tax team partners with the UK CFO to ensure that:
  1. The UK tax strategy is aligned to the global tax strategy and this is adopted and followed consistently across the United Malt Group which includes the United Malt UK Ltd entities, with clear lines or responsibility and accountability;
  2. There is alignment of the UK tax strategy with United Malt Group Ltd's overall approach to corporate governance and risk management; and
  3. The United Malt Group pays tax responsibly, complying with laws and regulations of the countries in which it operates.

### **Risk Management**

The United Malt Group manages risk in line with the enterprise wide risk management framework. The United Malt Group Board and management have responsibilities designed to ensure the operational effectiveness of the control framework for tax risk. United Malt UK Ltd is included within this risk management framework and reports to the United Malt Group Board through this framework.

The United Malt Group and United Malt UK Ltd are committed to observing all applicable laws, rules, regulations, and reporting disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions in line with one of our four Core Values, integrity.

Importantly, as a dedicated tax team, the United Malt Group Tax function will collaborate with the United Malt Group's businesses to provide advice and guidance necessary to ensure compliance obligations are met. The United Malt Group Tax function will also obtain external advice where necessary.

Where the UK CFO deems it necessary, external advice is obtained relating to taxation matters. There are clear management responsibilities, backed up by regular monitoring and review, carried out by members of United Malt Group Tax with the necessary experience and skill set.

### **Attitude towards tax planning and level of risk**

Tax decisions will be made at all times in a manner which is consistent with and complements United Malt Group's overall strategy. Key business decisions should be made cognisant of the tax consequences. United Malt Group Tax will partner with the business to ensure there is that consistency.

Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process.

In reviewing the risks of a tax action or decision the following would be considered:

- The legal and fiduciary duties of directors and employees;
- The requirements of our United Malt Group policies such as the Group Anti Bribery and Corruption Policy;
- The maintenance of corporate reputation.
- The wider consequences of potential disagreement with tax authorities and any possible impact on relationships with them.

### **Relationship with HMRC**

United Malt Group Ltd is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever it operates around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim is to strive for early agreement on disputed matters and to achieve certainty wherever possible

**List of entities covered by this Tax Strategy included in the UK Group:**

- Bairds Malt Limited (primary UK trading company)
- Brewers Select Limited
- United Malt UK Limited (this is the UK parent company)
- Malt U.K. Holdco Limited
- Maltco 3 Limited
- Mark Lawrence (Grain) Limited
- Moray Firth Maltings Limited
- Norton Organic Grain Limited
- Scotgrain Agriculture Limited
- Ulgrave Limited
- United Malt (Canada) Holdings UK Limited
- Bairds Malt (Pension Trustees) Ltd