



UK TAX STRATEGY

In compliance with Section 161 and paragraph 16(2) of Schedule 19 Finance Act 2016, the Group is publishing its tax strategy for the tax year ending 31st December 2017.

INTRODUCTION

United Wholesale (Scotland) Ltd is Scotland's largest independent wholesaler, with its core business being the supply of food, drink and tobacco products to independent retailers throughout Scotland. Its symbol franchise operation which comes under both the Day To Day and U-Save banners is the largest in Scotland with over 540 stores supplying a range of national brands.

The Group consists of 3 subsidiary undertakings, United Tradeston Ltd which specialises in the development and rental of property, United Brands Ltd, which is the master franchisor for the UK of German Doner Kebab (GDK) and also GDK International Ltd which owns the international franchise rights for GDK.

This is the Group's first published tax strategy, having been approved by the Board of Directors on 22 December 2017. This strategy will be reviewed and updated annually, following further approvals by the Board. Our tax strategy below 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 finance team. This tax strategy applies to all taxes, and the key principles of the strategy are :

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- The Group is committed to paying the correct amount of tax due under UK legislation 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 will seek to be proactive in its management of tax risk.
- The Group will seek to have open and collaborative relationships with tax authorities.

RISK MANAGEMENT AND GOVERNANCE

The Group's greatest tax risk areas are identified by considering areas of high value taxation, meeting its overall compliance and reporting obligations, dealing with new and unfamiliar transactions, or transactions from overseas establishments 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 advisers will be used to support the Group where additional resource or expertise is required to mitigate these tax risks. The Group is committed to complying with all relevant laws and regulations, including those relating to tax, and the Board of Directors regularly address areas of risk relating to the management of taxes at their monthly Board meetings.

Tax is the ultimate responsibility of the Group's Chief Financial Officer, who is also the Group's Senior Accounting Officer, and manages all day to day taxation matters. The calculation and deduction of payroll taxes (excluding benefits) is managed by both the Human Resources Manager in relation to all monthly paid staff, and by the Accounts Department Manager

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in relation to all weekly paid staff. The Group's Chief Financial Officer takes full responsibility for the calculation of all taxable benefits, developing the Group's tax strategy and underlying policies, and ensures that appropriate knowledge and training is in place across the Group.

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 will continue to have a strong focus on compliance with all applicable tax legislation and ensure that it aligns with its commercial objectives.

The Group's focus on Corporate Criminal Offence legislation 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.

External advisers will also be used to support the Group in its tax planning strategies.

ASSESSING AND MITIGATING RISK

Taxation risk is mitigated through the use of specialists when required. Where there is uncertainty over a tax filing position, the Group will seek specialist external advice or liaise with HMRC 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

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will seek to take a balanced and cautious approach taking additional third party advice as appropriate.

RELATIONSHIP WITH HMRC

The Group is committed to working collaboratively with HMRC, through open and transparent dialogue to ensure it is compliant with all of its compliance and filing obligations. The Group has a proactive working relationship with HMRC and will continue to engage with HMRC to ensure that its tax affairs are kept regularly up to date.

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