

Chaucer Group Tax Strategy

Background

The Chaucer Group, headed by Broomco (3554) Limited, is a global producer of freeze-dried foods and specialist bread products. In 2016, Broomco (3554) Limited was acquired by Nagatanien Holdings Co., Ltd, a Japanese-based manufacturer and distributor of premixed and instant food.

This strategy applies to Broomco (3554) Limited and its UK subsidiaries listed below in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016. In this strategy, references to 'Broomco (3554) Limited', or 'the group' or 'Chaucer group' are to all these entities. The strategy has been 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This strategy applies from the date of publication until it is superseded.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.

Aim

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

Governance in relation to UK taxation

- Ultimate responsibility for the group's tax strategy and compliance rests with the Board of Broomco (3554) Limited;
- Executive management of the group is delegated by the Board to the Chief Financial Officer ('CFO');
- The Audit & Risk Committee's requirement to monitor the integrity of the group's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The CFO has executive responsibility for tax matters;
- Day-to-day management of the group's tax affairs is delegated to the Group Financial Controller, who reports to the CFO;
- The Board ensures that the group's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Group Financial Controller reports to the Audit and Risk Committee and the CFO on the group's tax affairs and risks during the year.

Risk Management

- Chaucer group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- The group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that 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 or controls are made when required;

- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

Chaucer group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, the group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Chaucer group does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the group 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 the risks, including tax risks, which need to be addressed and for 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

Chaucer group seeks to have a transparent and constructive relationship with HMRC. The group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

List of entities covered by this Tax Strategy

Broomco (3554) Limited

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Pilgrim Food Holdings

Chaucer Foods Limited

Chaucer Foods UK Limited