

## **Direct Wines Group UK Tax Strategy**

Direct Wines Holdings Limited (Direct Wines) is fully committed to complying with its statutory tax obligations, including payment and reporting of taxes as required by UK tax laws and regulations.

The UK alcohol sector is subject to higher rates of taxation and more tax regulation than most other sectors. We are proud to make a significant tax contribution to the UK and encourage government to ensure UK alcohol taxation is proportionate.

### **Approach to UK tax risk management and governance**

Direct Wines is privately owned by the Laithwaite family and has been from the founding of the company in 1969. The family take a long-term approach to business with an emphasis on relationship, trust and reputation. This sets the tone for a high standard of corporate and family governance, reflected in our directors whose number include experienced professional executives and non-executives.

The Group Chief Financial Officer is responsible for keeping our board of directors, which meets every second month, and our audit committee, which meets separately from the Board three times a year, apprised of tax matters. The senior management team are responsible for the implementation of the tax strategy and meeting our day to day tax obligations through our tax processes.

We have designed tax processes and controls to ensure we comply with all UK taxes and the Senior Accounting Officer requirements. Responsibility for each tax process is assigned to a person with end to end process overview and knowledge of sufficient detail within the process. We ensure the staff involved are suitably experienced, qualified and trained and have sufficient time and resources to fulfil their responsibilities.

Tax processes are reviewed annually to ensure we remain compliant in the context of any relevant changes in the business or to tax law. This review is performed by an internal governance specialist and external advisors provide an objective assessment against the required standard. The group has a dedicated tax professional to co-ordinate tax management and to provide advice to the business.

### **Tax Risk Appetite**

The Group is committed to being recognised as a business with a low risk in relation to UK taxation.

### **Tax Planning**

We take tax into consideration in making business decisions both at a strategic and operational level. Our priority is tax compliance rather than tax planning. When seeking external tax advice, we use reputable advisors from a panel, who understand our approach to tax. We do not engage in tax motivated planning but do take advantage of tax reliefs that Parliament intended (for example R&D).

### **Relationship with HM Revenue & Customs (HMRC)**

We maintain a transparent and collaborative relationship with HMRC and make HMRC aware of significant transactions and business developments with regular meetings and communication.

This Tax Strategy is published to comply with the legislative requirement under paragraph 16(2), Schedule 19, Finance Act 2016 and was formally approved by the Board on 23<sup>rd</sup> May 2018.