

# Mole Valley Farmers' approach to Tax

## Introduction

Mole Valley Farmers (MVF) is one of the UK's leading rural retailers, we began life more than 50 years ago, when a group of farmers from the South Molton area created an agricultural buying-group. The success of this early enterprise has resulted in the Mole Valley Farmers family of companies becoming a leading agricultural supply business spanning the length of Britain, with holdings in Wales and more recently Scotland. This includes Mole Valley Farmers branches and Bridgman's stores across the South West, Mole Country Stores, Cox & Robinson farm direct outlets in the South and East of England, and manufacturing sites across England, and Scotland.

For more information on our business, please click [here](#).

We aim to create long-term value for farmer members and strive to be a responsible corporate citizen and an excellent employer.

Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, production taxes, stamp duties, employment and other taxes. In addition, we collect and pay employee taxes as well as indirect taxes such as excise duties and VAT.

MVF is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities. MVF supports efforts to increase public trust in tax systems.

MVF's code of conduct sets out what is expected of everyone at MVF and our approach to tax aligns with that.

Our commitment is underpinned by the following principles:

### **1. Tax planning**

We only engage in tax planning that supports our business and reflects commercial and economic activity.

We adhere to relevant tax law and we seek to minimise the risk of uncertainty or disputes through our tax risk management procedures which are set out at section 4.

We conduct transactions between MVF companies on an arm's length basis and in accordance with current OECD principles.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where they exist, we seek to apply them in the manner intended.

### **2. Relationships with governments**

We seek to build and sustain relationships with government and fiscal authorities that are constructive and based on mutual respect. We work collaboratively wherever possible with fiscal authorities to resolve disputes and to achieve early agreement and certainty. As one of the largest

businesses in the UK, we have an allocated Customer Compliance Manager at HMRC with whom we are able to communicate with directly in managing our UK tax affairs.

### **3. Tax risk management**

Responsibility for tax risk management lies with the finance team who utilise their professional knowledge and experience to identify, assess and manage tax risks on a case by case basis, minimising and accounting for them appropriately. This internal knowledge is appropriately supplemented by external professional advice which is proactively sought where necessary, for example in relation to annual tax compliance and when embarking on significant transactions. In addition, and so as to manage tax risk appropriately, the group has historically sought professional advice on internal control processes.

### **4. Governance**

The Finance Director owns and implements our approach to tax which is approved by the audit committee. The Finance Director is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the group, and that the team has the skills and experience to implement the approach appropriately.

### **Further information**

This tax strategy has been published in accordance with section 16 (2) of Schedule 19 of the Finance Act 2016 and reflects the tax strategy of MVF's UK entities for the financial year ending 30 September 2019. We review and update the tax strategy on an annual basis.

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