

Demball limited and Ben Nevis Distillery (Fort William) Ltd. – UK Group Tax Strategy

UK Group Tax Strategy

This document is to satisfy the requirements under Section 161 and Schedule 19 (2) of the UK Finance Act 2016 that qualifying UK companies must publish details of their Tax Strategy, either on their web-site or in a freely available document. This requirement applies to UK groups even if they are part of a multi-national group. Demball limited is wholly owned by subsidiaries of Asahi Group Holdings, Ltd. a company incorporated in Japan. Ben Nevis Distillery (Fort William) Ltd. is majority-owned subsidiary of Demball limited.

The UK tax policy applies to the following UK entities:

Demball limited ('Demball')

Ben Nevis Distillery (Fort William) Ltd. ('Ben Nevis')

In the UK, Ben Nevis predominately trade in Scotch whisky. Its brands include Ben Nevis, Nevis Dew and McDonald's Glencoe.

The ultimate holding company Asahi Group Holdings, Ltd. has a strong focus on corporate responsibility including the management and compliance of taxation. Its global tax policies are available on its website:

http://www.asahigroup-holdings.com/en/whoweare/corporate_policy.html

Tax risk management

The overall tax strategy of Demball and Ben Nevis is to ensure that:

- Tax risks are managed in an established and robust way
- All tax legal requirements including tax compliance and reporting responsibilities are fully met
- Tax reliefs and incentives where available are utilised consistent with the aim of the legislation
- All tax processes are documented and key controls identified
- Transactional taxes such as VAT are managed through the functionality of its IT systems
- Tax impacts are always considered when implementing business decisions, including reorganisations and restructuring

Key roles and responsibilities

In the management of its tax affairs Demball and Ben Nevis have identified the following key roles and responsibilities:

- The directors of Demball and Ben Nevis have ultimate responsibility for the tax affairs of each companies
- Where deemed appropriate professional tax advisors are engaged to support those with responsibilities above

Information on systems and controls to manage tax risks in the UK

Demball has no systems because Demball has only a few small transactions per a year. That situation has not changed since its establishment. If transactions of Demball will increase in the future, its directors should consider introducing new systems and how to manage tax risks in the UK.

External tax advisors are engaged to support the management of Corporate Tax, including the submission of returns.

Details of levels of oversight of the Board and their involvement in tax affairs

The directors of Demball and Ben Nevis understand agendas of current tax issues and the status of tax return submissions and audits. The Boards of Demball and Ben Nevis take involvements in the tax affairs.

Attitude to tax planning

Demball and Ben Nevis do not actively seek tax planning structures. Where an assessment of tax impacts is undertaken the preferred option is to adopt an approach with a low tax risk.

Why we might seek external tax advice

External tax advice is sought where a second opinion is beneficial in explaining a difficult tax issue.

Working with HMRC

HMRC are consulted where clarification is required to tax questions or interpretations in the UK.

We also support industry tax issues and liaise with HMRC through trade bodies, such as the Scotch Whisky Association.