

AZZURRIGROUP

TAX STRATEGY 2023

Introduction

This Group tax strategy is prepared and published in accordance with the requirements of Schedule 19 of the Finance Act 2016. It relates to Azzurri Holdings Limited and its subsidiaries (the “Group”) and covers the period to 2 July 2023. This document is reviewed yearly and any modifications are approved by the Group’s Board of Directors.

The Group comprises subsidiaries of Azzurri Group Holdings UK Limited including ASK Italian Restaurants Limited which operates the ASK Italian business; Zizzi Restaurants Limited which operates the Zizzi businesses in the UK; Azzurri Restaurants Limited which operates the Zizzi brand in Ireland; Coco Di Mama Limited which operates the quick service restaurant brand “Coco di Mama”; POD Restaurants Limited which operates the POD brand; Azzurri Central Limited; Azzurri Bidco Limited, SHELFCO 9823 Limited and Ask & Zizzi Restaurants Limited which is a dormant company.

The Group’s business activities generate a substantial contribution to HMRC through an extensive range of taxes.

The approach of the Group to risk management and governance arrangements in relation to UK taxation

The Group is committed to diligent tax compliance in all jurisdictions that it operates in. Inherent tax risks arise from the Group’s operations due to the high volume of transactions, number of processes involved and industry specific regulations. To ensure compliance with these regulations the Group seeks to maintain suitable systems and processes, which are monitored by skilled staff. Continual development of management controls is pursued by assessing efficiency of measures to guarantee early detection of risks.

To reduce the risk relating to interpretation of tax law when more complex or judgemental areas of taxation are involved, the Group consults with external advisers as appropriate; for example, when entering a new market.

The Group is committed to strong governance in relation to all its tax affairs. The day-to-day management of tax affairs is the responsibility of the Group Finance team. This team is staffed with appropriately qualified individuals who proactively monitor the tax environment and are provided with support and training to keep their knowledge up to date. Any changes or complexities are escalated to the Group Chief Financial Officer (CFO) who has the ultimate responsibility and authority to ensure compliance with tax legislation. The CFO regularly reports to the Group’s Board, ensuring any key tax matters arising are brought to the Board’s attention.

The attitude of the Group towards tax planning (so far as affecting UK taxation)

When making commercial business decisions the Group considers the tax laws of all countries in which it operates, seeking external advice where appropriate. The Group seeks to comply with tax legislation and act in a manner which upholds our socially responsible reputation and wider goals.

The Group's tax affairs are structured in a straightforward and transparent way, as would be expected to ensure commercial effectiveness. The structure maximises tax efficiency without use of artificial or contrived tax planning strategies.

The level of risk in relation to UK taxation that the Group is prepared to accept

The overall risk appetite is set at Board level in the context of the wider business strategy, taking into consideration the views of the different stakeholders involved.

Azzurri's tax affairs are relatively straight forward, given that it is UK domiciled and that it operates in a sector which does not have inherent complexity. The casual dining sector is consumer-facing, with no long-term or complicated revenue streams and relatively predictable cost structures.

Therefore in managing its affairs, the Group's aim is to limit tax related uncertainty. Its approach is to discuss significant transactions and disclosures openly with the tax authorities in 'real time', as far as is commercially practicable. Where there is uncertainty in relation to a material tax issue, it will seek to obtain tax authority agreement or clearance in advance.

When assessing tax issues each area of potential tax risk is considered separately, and the associated controls and processes are critically appraised to determine the risk level and mitigation options. The Group closely monitors all risks identified, and recommendations made for any medium or high risks are actioned in a timely manner.

The approach of the group towards its dealings with HMRC

The Group submitted its first Business Risk Review to HMRC in September 2022, however, this has not yet been reviewed by them, therefore, the Group has not received a risk rating. The Group strives to be designated as “low risk” by HMRC, and thus, ensures it maintains a transparent and constructive relationship with HMRC. It endeavours to provide advance notice of any significant, or potentially, contentious voluntary disclosures and share with HMRC our approach to identifying and managing tax compliance risk across the business. The Azzurri group engages fully in reviews and other interactions during the year.

The Group seeks to ensure that all returns are submitted good time, it pays all due taxes promptly, and if material errors are noted in submissions made to HMRC they are disclosed as soon as reasonably possible in the spirit of honesty.