



Tax Strategy

Effective 31 December 2018



Eagle Topco Limited UK Tax Strategy

Introduction

In order to meet the requirements of Paragraph 19(2) Schedule 19 of the Finance Act 2016, this document sets out the tax strategy of the Eagle Topco Limited and its subsidiaries ("Busy Bees") and was approved by the Board of Directors on 28 November 2018. This tax strategy applies to all UK taxes applicable to Busy Bees for the 31 December 2018 financial year and will be reviewed and updated annually in accordance with UK legislation and any significant changes.

Busy Bees are providers of Day Nursery Services in the UK with overseas subsidiaries in Australia, Canada, Malaysia and Singapore. The ultimate controlling party is the Ontario Teachers Pension Plan Board in Canada.

Busy Bees is committed to paying all taxes that are due and to complying with all applicable laws and engaging with all applicable tax authorities. Our appetite for tax risk is included within the Tax Risk Management and Governance Section of this document.

Tax Arrangements

The objective of this Tax Strategy is to provide an overview of our approach to:

- Tax Risk Management and Governance
- Tax Planning
- Working with Tax Authorities

Tax Risk Management and Governance

The Group Finance Director (FD) takes overall responsibility for the management of tax risk. The Board, updated as appropriate by the FD, exercises oversight of tax risk management and governance primarily through discussions at the Board meetings. These meetings incorporate key tax information and issues arising within the business, or externally that could impact the business, for example upcoming legislative changes. Busy Bees generally adopt a prudent appetite for tax risk and our appetite for tax risk is low. We test tax advice against this standard with consideration for the specific facts of any given situation or risk.

The day to day management of Busy Bees tax affairs is provided by the UK finance team with support from external tax compliance advisors. There are internal controls in place to ensure corporate income tax, indirect taxes (Business Rates and VAT), Employment taxes (PAYE/ National Insurance/ Apprentice Levy) and other applicable tax requirements are appropriately documented and paid in compliance with the local applicable laws and tax authorities. We ensure that relevant employees are provided with required training and we stay up to date with tax developments through regular communications from advisors.

Our Code of Conduct and Speak Up Policies provide the framework for the attitudes and behaviours expected of all Board members and employees. These internal controls support compliance with our Senior Accounting Officer obligations to manage the tax risk to a low level.



Tax Risks

The group's key tax risks include:

- Transactional risk – this includes actions taken in respect of transactions without consideration of potential tax implications, or where tax advice is not appropriately implemented.
- Tax compliance risk – this includes late filing or incorrect tax returns, failure to submit claims and elections on time, and late payment of taxes.
- Reputational risk – this includes the impact on our relationships with shareholders, customers, tax authorities, and the public.

While it is not possible to remove tax risk completely, we aim to manage these risks to an appropriate level by delivery of our tax risk and governance framework utilising suitably qualified and experienced finance team members and specialist external tax advisers, to prepare and file tax returns and also advise on areas of uncertainty. Oversight of advisers is provided by our finance team, including the FD.

Tax Planning

When significant business transactions occur, such as acquisitions of companies, Busy Bees engages with external tax advisers in order to appropriately identify and manage the tax risks arising from such transactions. Completion of the external tax adviser's review is required prior to the board approval before the transaction can be implemented.

As a multinational company, our tax affairs sometimes involve transactions over more than one country. For example, we need to ensure that the funding needs of the countries in which we operate are met. Busy Bees seeks to apply the "arm's length" standard to all intercompany transactions, to comply with applicable local tax laws and regulations and give due consideration to internationally accepted methodologies and standards for intercompany transactions.

Working with HMRC and other relevant Tax Authorities

Busy Bees are committed to:

- Being open, honest and transparent in our dealings with HMRC and other relevant tax authorities.
- Disclosing relevant information to enable tax authorities to carry out their review, and to respond to queries and information requests in a timely manner.
- Ensuring compliance with all relevant tax laws and legal disclosure requirements
- Seeking to resolve issues with tax authorities in an open, collaborative and professional manner and where disagreements arise, work with them to resolve issues by agreement where possible

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