

# BRIGHT HORIZONS FAMILY SOLUTIONS UK TAX STRATEGY

Bright Horizons Family Solutions Inc., (BH) is a multinational business headquartered in Newton, MA in the United States. BH provides center-based early education and in-home child care, back-up child and adult/elder care, tuition assistance and student loan repayment program administration, educational advisory services, and other support services for families, employers and their employees better integrate work and family life. Guided by HEART principles (Honesty, Excellence, Accountability, Respect and Teamwork), BH has been in operations since 1986.

The publication of this tax strategy is regarded as satisfying the statutory obligation under Schedule 19 of the Finance Act 2016 for the UK subsidiary companies of BH. This strategy applies from the date of publication, until it is superseded by the publication of a UK tax strategy for a subsequent period.

## **Financial Year Ending 31 December 2023**

This page sets out a summary of the Tax Strategy for the BH affiliates and subsidiaries within the United Kingdom. In this strategy, references to 'Bright Horizons UK' are to BHFS Holdings Limited, BHFS One Ltd and all its subsidiaries that provide child care throughout the UK.

*Our tax strategy is reviewed annually.* The Director of Finance in the UK, VP Tax and Chief Accounting Officer (CAO) in the US are responsible for management of the tax affairs of the group and are supported by teams of qualified tax professionals based in both the UK and United States. The Director of Finance is the appointed HMRC Senior Tax Officer and, at least quarterly, provides updates to the Chief Financial Officer (CFO) of BH.

There are discussions of the financial results during meetings with the Directors of Bright Horizons UK. There is regular internal reporting to the CFO, CEO, CAO, Board of Directors and Audit Committee with quarterly meetings to discuss the reported financial results of BH.

References to 'UK taxation' are to the tax areas within the UK which include:

- Corporate income tax
- Indirect taxes (VAT)
- Employment taxes (PAYE / National Insurance)
- Other applicable tax matters

As part of a multinational group (Group), we are aligned with and consistent with Bright Horizons Family Solutions Inc. guiding principles, code of conduct and the criteria

established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

There were no changes to the Bright Horizons UK Tax Strategy as a result of the US Tax Reform enacted at the end of the 2017 tax year or the various US Tax Reforms in 2020 and 2021 due to the Covid-19 pandemic. There have been no other changes to the UK tax strategy based upon changes in the US tax law and UK tax laws, or the numerous tax changes proposed by the OECD, including BEPS, and tax areas under Pillar One and more recently Pillar Two.

## **Tax risk management**

The day to day management of Bright Horizons UK tax affairs is provided by the UK finance team in consultation with the Director of Finance/CAO/VP Tax/Legal departments/Human Resources, when appropriate. Processes relating to different areas of tax are allocated within the finance team. There are quarterly/annual reviews of activities and processes to identify key risks and requirements for any updates to controls in place. These key risks are monitored for changes in business and legislation, processes and controls are updated accordingly. Financial controls, including tax controls, are updated periodically to mitigate risk.

The tax strategy is focused on ensuring that the taxes of Bright Horizons UK are compliant, accurate, timely and strategically aligned, within the parameters of the Group's strategic objectives. The strategy also requires that all tax obligations comply with the UK and other relevant jurisdictions tax laws.

The BH Business Risk and Controls team, led by the Senior Director of Audit and Advisory, are an internal resource for members of Finance and Tax departments concerning controls of the various financial processes undertaken, each quarter and throughout the year.

The Bright Horizons UK operations fall under the Company's internal control framework, along with the Tax function, and are regularly reviewed by the Group's Internal Audit department throughout the calendar year.

Bright Horizons UK has sought out guidance from external tax advisers and has received advice when there has been a specific area of technical expertise required, such as during acquisitions or changes in tax legislation. During the recent years, Bright Horizons UK has grown through acquisition of local UK corporations, and all of the new members of Bright Horizons UK have become aligned with the Group's tax strategy.

Bright Horizons UK utilises tax reliefs and allowances available in the manner in which intended by HM Revenue & Customs (HMRC) and statute. We do not engage in artificial tax arrangements or engage in activities with the sole purpose of tax avoidance.

## **Working with HMRC**

It is Bright Horizons UK's general policy to be transparent and proactive in all interactions with HMRC and any other governmental agency.

Bright Horizons UK has been considered a qualified company under Senior Accounting Officer (SAO) compliance. Annually, the qualifying company has notified the HMRC of the name of the SAO and the SAO timely provided a certification for the Group.

We have previously engaged with HMRC, for corporation income tax purposes, concerning Advanced Thin Capitalisation Agreement, with respect, fairness and cooperation. All dealings with HMRC, and other tax authorities, are conducted in a collaborative and courteous manner. Bright Horizons UK has also cooperated and complied with any requests from HMRC regarding other tax areas, such as related to payroll and VAT.

Bright Horizons UK commits to accurate filings and to professional, courteous, collaborative and timely correspondence with HMRC, and other tax authorities.

**Date published:** 21 December 2023