

COGNITA

COGNITA TAX STRATEGY

The Cognita Group (hereinafter referred to as “Cognita” or “Group”) is committed to comply with all applicable tax legislation in the countries where it has business operations and/or is liable to taxation. It strives to be a good corporate fiscal citizen and to be recognised as such by all relevant stakeholders (e.g. tax authorities, investors). Cognita regards tax compliance as a critical element of its commitment to grow in a sustainable, responsible and socially inclusive way and is also committed to adhere by tax-related guidelines issued by international bodies.

Cognita supports the OECD international tax reform work on Base Erosion and Profit Shifting (BEPS). The Cognita tax strategy applies to all UK Group companies that are direct and indirect subsidiaries of Leren Topco Limited, including Cognita Schools Limited.

This document is published in conformity with the United Kingdom (“UK”) statutory obligation under Paragraph 16 (2) and Schedule 19 of the Finance Act of 2016 for the year ended 31 August 2019.

1. TAX RISK MANAGEMENT AND GOVERNANCE

Cognita recognises that it is exposed to a variety of risks and uncertainties and it maintains a Tax Risk Register (“TRR”) applicable to all key tax functions and businesses. The TRR framework is designed to identify, assess and mitigate key tax risks to ensure the achievement of the Group’s objectives. The TRR forms part of a wider Group Risk Register used to identify, assess and mitigate risks in key functions and business areas including finance, legal and litigation.

The TRR is the responsibility of the Group Finance function to ensure holistic, independent and systematic review of tax risk management activities. The Group Finance function is under the ultimate supervision of the Board of Directors of Leren Midco 2 Limited (“Board”), a company controlled by Leren Topco Limited, which is responsible for establishing, reviewing and adapting the governance, risk management, compliance and control processes.

Tax risk management is one of the points of interest and concern of the Board. The Group considers it of utmost importance to ensure Cognita’s good corporate reputation and financial credibility to minimise exposure to any tax risks. It is therefore critical that Cognita properly identifies and manages/mitigates tax risks.

2. TAX PLANNING

Within the TRR framework, Cognita seeks to manage its tax position in a well-balanced manner to achieve tax efficiency. In making any decisions, Cognita is ultimately guided by the overall Group strategy in the management of all businesses, transactions and investments. Cognita does not adopt aggressive interpretation of tax laws and does not engage in any tax-evading structures.

Cognita’s UK entities strictly comply with all applicable tax laws and regulations. Cognita’s UK entities do not engage in aggressive tax planning activities that would be contradictory to the purpose and intentions of applicable tax laws and regulations. Cognita may seek advice from independent reputable professionals, to ensure compliance with all applicable tax laws and regulations.

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3. ATTITUDE TOWARDS UK TAXATION RISKS

Cognita has a consistent global tax strategy which is applied to business activities of the Group in the UK. Cognita proactively and reasonably reduces the level of tax risks arising from its UK business operations.

Cognita has a culture of teamwork which encourages close collaboration across various functions to create a robust tax risk control environment. Cognita has implemented strong internal policies and processes, to ensure that tax risks are managed systematically and maintained at an acceptable level.

4. RELATIONSHIP WITH HMRC

Cognita commits to maintain an open and constructive relationship in all dealings with Her Majesty's Revenue and Customs ("HMRC"), based on cooperative, supportive and professional interaction.

Cognita believes in proactively addressing significant tax matters (if any) with HMRC, in line with the overarching tax principle of transparency. Where possible, Cognita participates in meetings and discussions with HMRC. Transparent and proactive engagements with HMRC result in greater mutual trust and accord greater certainty to Cognita.

Notwithstanding the proactive interaction with HMRC, Cognita anticipates that, from time to time there will be tax enquiries from HMRC in the ordinary course of business. In such circumstances, Cognita aims to align with HMRC on the application or interpretation of tax laws and to address differences through constructive dialogue with a view to achieve timely resolution.