

## Working Links tax strategy 2017 to 2018

This paper sets out the tax strategy of Working Links (Employment) Limited and its UK subsidiary undertakings (the “UK Group”), and in making this strategy available the UK Group is fulfilling its responsibilities under Schedule 19 of the Finance Act 2016.

This tax strategy applies to all UK taxes applicable to the UK Group and the document is owned by the Board of Directors of Working Links (Employment) Limited (“the Board”). It will be reviewed annually, updated as appropriate and approved by the Board. The Board is responsible for setting and monitoring the strategy. The Chief Finance Officer is accountable to the Board for the implementation of the tax strategy and the management of tax and related risk.

The UK Group’s tax strategy is guided by our social mission to help as many people as possible to maximise their full potential. We are passionate about supporting the people on our programmes and the communities they live in, to help change lives and create positive futures. Our company values reflect our commitment to our customers, our people, to innovation and our ambition to grow.

Working Links (Employment) Limited’s parent company and ultimate controlling party is Aurelius AG, a company incorporated in Germany with offices in Munich and London and subsidiaries in Germany, United Kingdom, Switzerland, Norway, Belgium, Luxembourg, Slovakia and Slovenia, as well as the United States, China, Malaysia, India, Thailand and South Korea. The shares of Aurelius AG are traded in the m:access of the Munich Stock Exchange under ISN DE000A0JKA8.

Copies of the Aurelius AG consolidated financial statements are available on their website or via the Investor Relations and Corporate Communications team which can be contacted via:

- Phone: +49 (89) 544799 0
- Fax: +49 (89) 544799 55
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Our tax strategy reflects our status as part of Aurelius AG which requires strong governance and consideration of our reputation, while delivering returns to our shareholders.

### How the UK Group manages its tax risks

The UK Group’s ongoing approach to UK tax risk management and governance is based on the principles of reasonable care and materiality. The UK Group maintains ongoing application of tax governance with strong internal controls in order to substantially reduce tax risk to materially acceptable levels. As part of this governance, the UK Group has identified tax risks, which are maintained on risk registers, and their materiality is assessed based on a corporate risk matrix which records the potential impact on the Group if the tax risk crystallises and the relative likelihood of it crystallising.



The risk registers are subject to robust monthly processes to ensure that they are continually reviewed and that the risks are adequately managed. A detailed log of these risk reviews is maintained, which if necessary allows tax risks which have a high scoring on the risk matrix to be raised up through the appropriate levels of management (including the monthly Risk Committee) and ultimately to the Board, and if necessary engagement with HM Revenue & Customs (HMRC).

### **The UK Group's attitude to tax planning**

The UK Group will not engage in artificial transactions, the sole purpose of which is to reduce UK tax, and will comply with UK tax legislation at all times.

The UK Group will undertake a transaction which results in UK tax efficiencies only when this is aligned to the UK Group's commercial objectives and complies with the associated UK tax legislation.

### **The UK Group and its tax risks**

The UK Group's strategic aim is to maintain its low UK tax risk rating by:

- (a) submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process;
- (b) paying the appropriate amount of tax at the right time. Where this view may differ to the position taken by HMRC, the UK Group aims to be transparent about the filing position it has taken;
- (c) maintain tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK;
- (d) ensuring that the departments who are involved in the UK Group's tax processes are both adequately resourced, supported and that key personnel are retained in order to manage tax compliance issues on a timely basis; and
- (e) ensure all tax filing positions are supported with appropriate documentary evidence.

### **Working with HMRC**

The UK Group will comply with all relevant legal disclosure and approval requirements and all information will be clearly presented to HMRC as appropriate. In its dealings with HMRC, the UK Group will act in an open, honest and transparent manner. The UK Group's strategic aim is to avoid unnecessary disputes with HMRC and minimise tax risk, and we will seek to achieve this through:



- (a) where appropriate hosting meetings with HMRC to discuss business initiatives and the associated tax accounting;
- (b) where appropriate, seeking pre-transaction clearances from HMRC; and
- (c) making the tax compliance procedures and controls available for review by HMRC upon request.

This tax strategy document is communicated to all the relevant stakeholders within the UK Group, from the Senior Executives who are making regular commercial decisions to those individuals who are involved in the daily tax processes / procedures that we operate, so that it is firmly embedded in the culture that we adopt.

This tax strategy will be subject to continuous review by these stakeholders to ensure that the UK Group is adhering to its strategic aims and objectives and these performance reviews will be documented and made available to the Board as part of its annual review.



**Raj Patel**

Chief Finance Officer

25 September 2017

