



**HENLOW
HEATING**

Anti Facilitation of Tax Evasion Policy & Reporting Procedure

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Anti-facilitation of Tax Evasion Policy & Reporting Procedure 2024

1. INTRODUCTION

1.1 Our Commitment

- 1.1.1 Our principle is simple: Henlow Heating Ltd have a zero-tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Derogation from this Policy will not be tolerated by Henlow Heating.
- 1.1.2 We are committed to acting professionally, fairly and with integrity in all our dealings and relationships and to implement and enforce effective systems to counter tax evasion facilitation.
- 1.1.3 We expect everyone to whom this Policy applies to actively support it. We have a responsibility to ensure business is conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.
- 1.1.4 If you have any questions about this Policy or your responsibilities under it, please contact your line manager.

1.2 To whom does this Policy apply?

- 1.2.1 This Policy applies to all persons working for us, including employees at all levels, directors, officers, agency workers, seconded workers and contractors. For partners, joint ventures, suppliers, and other stakeholders, we will promote the adoption of the principles set out in this policy. This Policy applies in all geographical locations including any business activities which may take place overseas.

1.3 What is tax evasion and how can you facilitate tax evasion?

- 1.3.1 Tax evasion covers a variety of tax related illegal actions, including actual or attempted cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent.
- 1.3.2 The facilitation of tax evasion means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is already a criminal offence for those involved, where it is done deliberately and dishonestly under existing law.
- 1.3.3 The Criminal Finance Act 2017 ("the Act") includes two Corporate Criminal Offences ("CCOs") which make an entity's failure to prevent the facilitation of tax evasion (whether in relation to UK tax or foreign taxes) a criminal offence.

- 1.3.4 A business will be guilty of an offence under the Act if:
 - 1.3.4.1 there is criminal tax evasion by either an individual or legal entity under the existing criminal law;
 - 1.3.4.2 a person, either an individual or legal entity, performing services for or on behalf of the business (“Associated Person”) has criminally facilitated that tax evasion; and
 - 1.3.4.3 the business failed to prevent its Associated Person from committing the criminal facilitation.
- 1.3.5 The definition of an Associated Person is broad and includes, but is not limited to, those listed in clause 1.2.1 of this Policy.
- 1.3.6 If a business was found guilty of this criminal offence, it would receive a criminal conviction and be subject to an unlimited financial penalty, various ancillary orders, including consecration orders, and significant reputational damage. Convictions of the tax evader and/or facilitator are not required for a successful prosecution of the business for failure to prevent the facilitation of tax evasion under the Act.
- 1.3.7 The only defence available to the business under the Act is that it had “reasonable prevention procedures” in place to prevent the facilitation of tax evasion. As such it is imperative that all those listed in clause 1.2.1 are aware of and comply with this Policy.
- 1.3.8 Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).
- 1.3.9 Tax means all forms of UK taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation.

2. OUR POLICY

2.1 As an organisation, we undertake to:

- 2.1.1 set out processes for avoiding tax evasion and maintaining our values;
- 2.1.2 ensure everyone in our organisation and our agents/business partners know and understand our policies and their responsibilities; audit compliance with this Policy and undertake checks annually to ensure compliance; and
- 2.1.3 review and update our policies and procedures as required.

2.2 We will NOT, and we expect that those to whom this Policy applies will NOT:

- 2.2.1 This Policy applies to all persons working for us, including employees at all levels, directors, officers, agency workers, seconded workers and contractors. For partners, joint ventures, suppliers, and other stakeholders, we will promote the adoption of the principles set out in this policy. This Policy applies in all geographical locations including

any business activities which may take place overseas.

- 2.2.2 tolerate any deviation from this Policy. Any such deviation will be viewed seriously by the organisation and treated under the Company disciplinary Policy. It may result in dismissal or the immediate termination of any working relationship and civil action against the wrongdoer, as well as their actions being reported to the relevant authorities.

3. RISK ASSESSMENT

- 3.1 In line with HMRC guidance, we have undertaken a review of the risks and associated processes and procedures to ensure that all appropriate steps are taken to prevent facilitation of tax evasion. We will maintain a register of possible risks of the facilitation of tax evasion by its staff and associates, as well as listing controls to mitigate those risks, and any actions required to improve those controls. This register will be regularly reviewed and updated, on an annual basis.

4. UNACCEPTABLE ACTIONS

- 4.1 It is not acceptable for you (or for you to instruct someone on your behalf) to:

- 4.1.1 engage in any form of facilitating tax evasion or foreign tax evasion;
- 4.1.2 aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- 4.1.3 fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax by another person;
- 4.1.4 engage in any other activity that might lead to a breach of this Policy; or
- 4.1.5 threaten or retaliate against another individual who has refused to commit a facilitation of tax evasion offence or a foreign tax evasion offence, or who has raised concerns under this Policy.

I. POTENTIAL RISK SCENARIOS 'RED FLAGS'

- 5.1 The following is a list of possible red flags that may arise while you work for/with us in our business dealings and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only, and you should be mindful of the general anti-facilitation of tax evasion principle underpinning this Policy in all conduct and dealings on behalf of Henlow Heating. If you encounter any of these red flags while working for us or have any concerns, you must report them promptly to your line manager.

5.1.1 Third party dealings

- a) You become aware that a third party has made or intends to make a false statement relating to tax; has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction); has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
- b) You become aware that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for

VAT.

- c) A supplier or other subcontractor is paid gross when they should have been paid net under a scheme such as the Construction Industry Scheme.

5.1.2 Employees

- d) You become aware that an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions.
- e) You become aware that the travel to work patterns of an employee have been manipulated to avoid payroll taxes.

5.1.3 Contractual arrangements

- f) A third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated.
- g) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

5.1.4 Transactions and invoices

- h) A third party requests payment in cash and/or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made.
- i) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- j) You receive an invoice from a third party that appears to be non-standard or customised.
- k) You receive an invoice from a third party that contains a description that seems designed to obscure the nature of the services provided or uses the wrong code.
- l) A third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly.
- m) A third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided.

6. TRAINING AND DECLARATION OF COMPLIANCE

- 6.1 Training will be provided to all employees, which will be refreshed on an annual basis. New employees will be required to sign a declaration that they understand and will comply with this Policy as part of the induction process. Existing employees and others will be required to complete an annual declaration that they have complied with this Policy.

7. REPORTING PROCEDURE

- 7.1 What do you do if you know of or suspect a breach or potential breach of this Policy?

7.1.1 If you know of or suspect any breaches or attempted breaches of this Policy or have any concerns regarding suspected instances of tax evasion, whether involving yourself, a colleague and/or a third party, you should speak to your line manager. If, for whatever reason, it would not be appropriate to contact your line manager, then please speak with the Company Secretary, or a Partner. Alternatively, you can inform the whistleblowing officer in accordance with the Company's Whistleblowing Policy.

7.2 Our response to notification:

7.2.1 We shall normally appoint an individual who will investigate the matter.

7.2.2 Concerns will, as far as possible, be treated in confidence.

7.2.3 As long as you act honestly, you will not be penalised for reporting incidents of tax evasion or suspected tax evasion in which you were not a participant or at fault.

7.2.4 If action is required against a particular individual, in the case of employees this will normally be dealt with internally, by means of the Henlow Heating disciplinary policy and procedure following investigation. If the action or omission is sufficiently serious, the employee may be summarily dismissed by reason of gross misconduct.

7.2.5 If the action, once investigated, is sufficiently serious to constitute a possible breach of the legislation, Henlow Heating may be required to report incidents to the law enforcement agencies.

7.3

If the matter is serious or, for whatever reason, you are not able to approach the Company Secretary, or a Partner, or where you have raised the issue with any of them but you still have concerns, you should raise the matter in writing with the nominated Partner.

8. ANONYMOUS REPORTING

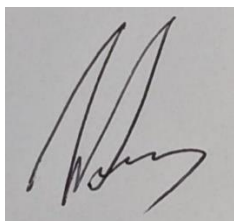
- 8.1 Anonymous reporting is possible but is not encouraged by Henlow Heating. Anonymous reporting may make proper investigation of the matter more difficult or even potentially impossible if we are unable to obtain further information from you. It is also more difficult to establish whether any allegations are credible and genuine. We would always encourage you to come forward and we will, as far as possible, treat the matter in confidence.
- 8.2 We are committed to ensuring no one suffers any detrimental treatment as a result of:
- 8.2.1 refusing to take part in the facilitation of tax evasion or foreign tax evasion by another person; and/or
 - 8.2.2 reporting in good faith their suspicion that an actual breach of this Policy or offence has taken place, or may take place in the future.
 - 8.2.3 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line manager or more senior manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally to the whistleblowing officer in accordance with the Company's Whistleblowing Policy.

9. RESPONSIBILITY FOR SUCCESS

- 9.1 The successful implementation of this Policy and procedure depends upon pro-active adoption and endorsement at all levels of the organisation.
- 9.1.1 YOU - as an employee of the organisation you are required to read, understand and comply with all aspects of the Policy. You are required to avoid any activity that might lead to, or suggest, a breach of this Policy. You must notify your line manager, or a relevant senior member of staff as soon as possible if you believe or suspect that a breach of this Policy has occurred, or may occur in the future.
 - 9.1.2 SENIOR MANAGERS – are responsible for ensuring that those who report to them are made aware of and understand this Policy and are given adequate and regular training about this Policy.
 - 9.1.3 EXECUTIVE MANAGEMENT (Partners, SUPPORTED BY THE EMC) – are responsible for ensuring appropriate internal controls are in place and that records relating to dealings with all third parties and Associated Persons are prepared and maintained by all staff with accuracy and completeness. They will report to and update the Board with regards to compliance with the Policy.
 - 9.1.4 THE COMPANY - may report violations of this Policy to appropriate supervisory regulatory or law enforcement authorities.

10. BREACHES OF POLICY

- 10.1 Failure to comply with this Policy may result in disciplinary action, including but not limited to termination of employment.
- 10.2 We may terminate our relationship with other individuals and organisations providing services for or on our behalf if they breach this Policy.
- 10.3 Should corporate criminal liability arise under the Act, the Company could be subject to an unlimited fine, various ancillary orders and severe reputational damage.
- 10.4 Alongside internal disciplinary action, any individual found guilty of committing a tax evasion or facilitation offence will be subject to personal liability under separate legal provisions to the Act.

A square box containing a handwritten signature in black ink. The signature is stylized and appears to read 'Nigel Davies'.

Signed

Name:- Nigel Davies

Position:- Partner

Date:- 20/09/2024

Review Date:- 20/09/2025