



I & H Brown values its reputation for ethical behaviour and for financial probity and reliability. It recognises that any involvement in the facilitation of tax evasion will also reflect adversely on its image and integrity. Its aim therefore is to limit its exposure to committing a Corporate Criminal Offence under the Criminal Finances Act 2017 by setting out a clear Prevention of Facilitation of Tax Evasion Policy.

Tax evasion is the illegal non-payment or under-payment of taxes and is a criminal offence. It is usually perpetrated by falsely declaring or not declaring taxes due to the relevant tax authority. It can be committed by an individual, e.g. in relation to income tax or VAT, or a legal entity, e.g. in relation to corporation tax. The Company will take firm and vigorous action against any employee involved in facilitating tax evasion. Example scenarios of tax evasion in relation to our business are as follows:

- A supplier or subcontractor asks us to pay them cash in hand or via some complex payment mechanism that allows them to evade tax
- A subcontractor, who should be paid net of tax, requests payment gross of tax, thereby allowing them to evade tax
- A subcontractor, who should be paid net of tax, substitutes materials for labour on an application that allows them to evade tax
- A subcontractor, who is part of an organised crime group which artificially extends the supply chain with the intention of failing to pay vat and making incorrect income tax deductions
- Non-deduction of payroll taxes of self-employed workers or those supplied through a personal service company (in respect of ir35 rules) that should be assessed as employees, either by failing to carry out an assessment of employment status or inaccurately determining the correct employment status
- Casual staff being hired on site for cash payment
- Failure to correctly apply reverse charge vat thereby facilitating leakage of tax from the vat system which reverse charging is designed to prevent
- Inaccurately describing the services provided by a supplier on their invoice in an attempt to minimise their tax liability or intentional manipulation of documents, for example, falsifying dates on invoices to alter the tax year in which tax would become due

The Company will establish, and maintain strict adherence to, internal control procedures to prevent facilitation of tax avoidance, as follows:

- The nature and extent of the Company's exposure to facilitating tax avoidance is evaluated in its Risk Assessment, which defines risk based Prevention Procedures that are reasonable and proportionate to the identified risks
- Top level management are committed to preventing facilitation of tax avoidance, fostering a culture of zero tolerance and initiating training and communication activities to implement the Company's Prevention Procedures
- The Company applies due diligence procedures in order to monitor the effectiveness of Prevention Procedures and make improvements where necessary

The Company requires that all personnel act with honesty and integrity at all times in all of their business dealings on behalf of the Company and in accordance with this policy.

To maintain best working practices the Company reviews this policy when necessary to reflect changes in legislation and industry standards and all Company policies are reviewed by the Board of Directors annually in June each year.

J SCOTT BROWN
MANAGING DIRECTOR

Date: June 2024