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**1 February 2021**

**Anti-Facilitation of Tax Evasion— Code of Ethics**

Story Homes takes great pride in the way we conduct our business. Our Code of Ethics embodies the standards and policies under which we operate. It applies to us all. Please take care to read the Code, understand it and use it to guide you in your work. If you have any questions about the Code and its application, you should speak with our Group Finance Director, Tony Thompson.

Story Homes has a zero tolerance towards the criminal facilitation of tax evasion. We are committed to:

- rejecting the facilitation of tax evasion, and
- not recommending the services of others who do not have reasonable prevention procedures in place

Tax evasion is the illegal non-payment or under-payment of taxes. It is usually perpetrated by not declaring or falsely declaring taxes due to the relevant tax authority. Tax evasion is a criminal offence. It can be committed by an individual, e.g. in relation to income tax or VAT, or by a legal entity, e.g. in relation to corporation tax.

Involvement in the criminal facilitation of tax evasion exposes Story Homes and the person facilitating the evasion to a criminal offence. It will also damage our reputation and the confidence of our customers, contractors, suppliers and business partners.

The Criminal Finances Act 2017 (CFA 2017) came into force in the UK on 30 September 2017. It introduced a corporate offence of failure to prevent the criminal facilitation of tax evasion.

This corporate offence can be committed regardless of whether the tax evaded is owed in the UK or in a foreign country. There is only one defence: when the tax evasion facilitation offence was committed, Story Homes had reasonable prevention procedures in place.

Our prevention procedures are set out in the attached tax evasion facilitation prevention policy.

We expect all our staff, contractors, suppliers and other business partners to join us in our commitment not to facilitate tax evasion. Please read our tax evasion facilitation prevention policy thoroughly and give it your support.

**Fred Story**  
**Chairman/CEO**

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# ANTI-FACILITATION OF TAX EVASION POLICY

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## INTRODUCTION

It is the policy of Story Homes Limited ('Story', 'we') to conduct all of its business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal but may involve taking steps, within the law, to minimise tax payable or maximise tax reliefs.

In this Policy, all references to tax and tax evasion include national insurance contributions (and their equivalents in any non-UK jurisdiction).

The purpose of this Policy is to:

- a) set out our responsibilities, and of those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion; and
- b) provide information and guidance to those working for us on how to recognise, avoid and report tax evasion.

If Story fails to prevent its employees, workers, agents or service providers, when working for us or on our behalf, from fraudulently facilitating tax evasion, we can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation. We therefore take our legal responsibilities seriously.

In this Policy, 'third party' means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential customers, suppliers, business contacts, agents, advisers, and government and public bodies, including their advisers.

This policy does not form part of any employee's contract of employment and we may amend or withdraw it at any time.

## SCOPE

This Policy applies to all persons working for Story or on our behalf in any capacity, including employees at all levels, directors, agency workers, seconded workers, interns, agents, suppliers, contractors, consultants, third-party representatives and business partners, or any other person associated with us, wherever located.

**Any employee who breaches this Policy will face disciplinary action, which may include dismissal. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this Policy.**

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## WHO IS RESPONSIBLE FOR THE POLICY?

Story's Board of Directors has overall responsibility for ensuring this policy complies with Story's legal and ethical obligations and for ensuring that all persons who work for or on behalf of Story comply with the policy.

The Group Finance Director has primary and day-to-day responsibility for implementing this policy, ensuring that all employees are given adequate and regular training on it, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion.

Managers at all levels are responsible for ensuring those reporting to them understand and comply with this policy.

Comments on the policy and suggestions on ways in which it might be improved are welcome. Comments, suggestions and queries should be addressed to the Group Finance Director.

### 1. WHAT ARE TAX EVASION AND TAX EVASION FACILITATION? HOW DOES THIS AFFECT US?

1.1. For the purposes of this Policy:

- (a) Tax evasion means the offence of 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;
- (b) Foreign tax evasion means evading tax in a foreign country where the conduct is an offence in that country and would be a criminal offence if committed in the UK. There must be deliberate action, or omission with dishonest intent; and
- (c) Tax evasion facilitation means aiding, abetting, counselling or procuring the commission of or being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of UK tax or foreign tax by another person. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

1.2 Pursuant to the Criminal Finances Act 2017, it is also a corporate criminal offence if a business fails to prevent its employees or any person associated with it, including suppliers and contractors from facilitating tax evasion. This is a strict liability offence. This means that the intent on the company's part does not have to be proved in order to obtain a conviction. The only thing that must be proved is that there has been criminal tax evasion that has been facilitated by a person or entity who performed services for or on behalf of the business. **This means that Story does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for us.**

1.3 A business will have a defence if it can prove that either:

- (a) It had put in place reasonable prevention procedures to prevent the facilitation of tax evasion taking place; or
- (b) It was not reasonable in the circumstances to expect there to be procedures in place

1.4 This policy is a central plank of such prevention procedures.

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## 2. WHAT YOU MUST NOT DO

- 2.1. In the course of your employment you (or someone on your behalf) must not:
- (a) engage in any form of tax evasion, foreign tax evasion or tax evasion facilitation;
  - (b) fail to report promptly any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this Policy;
  - (c) engage in any other activity that might lead to a breach of this Policy; or
  - (d) threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this Policy.

## 3. YOUR RESPONSIBILITIES

- 3.1. You must ensure that you read, understand and comply with this Policy.
- 3.2. The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 3.3. You must notify your regional Finance Director or Head of Finance if you believe a conflict with this Policy has occurred or may occur in the future. For example, if an employee or supplier who is onshore asks to be paid into an offshore bank account, or a supplier asks to be paid in cash. Further "red flags" that may indicate potential tax evasion or foreign tax evasion are set out in the Annex to this Policy.

## 4. HOW TO RAISE A CONCERN

- 4.1. You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage. Each of us has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do this.
- 4.2. If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur you **must** notify your regional Finance Director or Head of Finance as soon as possible.
- 4.3. Members of Staff may also raise concerns with the Group Finance Director.
- 4.4. If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your regional Finance Director or Head of Finance as soon as possible. You should note that the corporate offence of facilitating tax evasion is only committed

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where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be committed.

**However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or "turning a blind eye" to suspicious activity could amount to criminal facilitation of tax evasion.**

4.5 Please note that if you intend to or have raised a concern about any issue or suspicion of tax evasion or foreign tax evasion, you must not:

- (a) tell or notify the person whom you suspect of aiding, abetting, counselling or procuring the commission of tax evasion or tax fraud; or
- (b) tell or notify any person or client whom you suspect of committing criminal tax fraud or tax evasion

that, in either case, you are going to or have made a report to your regional Finance Director or Head of Finance in accordance with this Policy.

Such notification may constitute the crime of "tipping off" under the Proceeds of Crime Act 2002.

## 5. PROTECTION

5.1. Individuals who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under our Whistleblowing Policy and Procedure, even if they turn out to be mistaken.

5.2. We are committed to ensuring no one suffers any detrimental treatment as a result of:

- (a) refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- (b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- (c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place or may take place in the future.

5.3. 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 the Group Finance Director immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Policy and Procedure.

## 6. TRAINING AND COMMUNICATION

An explanation of this policy will form part of the induction process for all individuals who work for us, and training will be provided on it periodically.

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Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

**7. BREACHES OF THIS POLICY**

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

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## Annex

### **POTENTIAL RISK SCENARIOS: "RED FLAGS"**

The following is a list of possible red flags that may arise during the course of you working for us 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. If you encounter any of these red flags while working for us, you must report them promptly in accordance with the procedure detailed in this Policy:

- You become aware, in the course of your work, 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.
- You become aware, in the course of your work, 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.
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- You become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions.
- A supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme.
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- 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.
- 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.
- You receive an invoice from a third party that appears to be non-standard or customised.
- 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.
- You notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided.
- 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.

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