Prevention of the Facilitation

of Tax Evasion Policy

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Policy Statement

Lilac Alliance is committed to conducting all of its business in an honest and ethical manner. We take a zero-tolerance approach to the facilitation of tax evasion, whether under UK law or under the law of any foreign country, and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.

As a recruitment business, Lilac Alliance engages candidates, workers, clients, suppliers and other associated persons across the health and social care sector. We recognise that these relationships bring a responsibility to ensure that no part of our business, or anyone acting on our behalf, engages in, or knowingly assists, the facilitation of tax evasion in any form.

Purpose of This Policy

The Criminal Finances Act 2017 (the "Act") introduced corporate criminal offences of failing to prevent the facilitation of tax evasion. This policy sets out the responsibilities of Lilac Alliance (the "Company"), and of those who work for us or on our behalf, in observing and upholding our position on the facilitation of tax evasion, and provides guidance on how to recognise and deal with related issues.

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

Who This Policy Applies To

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners. All our staff have an obligation to familiarise themselves with this policy and to conduct business in a manner that prevents the facilitation of tax evasion.

What is Tax Evasion Facilitation

Tax evasion is the illegal non-payment or underpayment of tax, typically involving deliberate omission, concealment or misrepresentation. Facilitation occurs where a person acting on our behalf knowingly and deliberately helps another person to commit tax evasion, or takes steps with a view to enabling another person to fraudulently evade tax. Under the Act, a company can be criminally liable if a person acting on its behalf facilitates tax evasion by another person, even where the company itself was unaware this was happening.

- Deliberately failing to notify HMRC of a liability to tax.
- Submitting inaccurate or false information to HMRC, or assisting another to do so.
- Structuring payments to a candidate, worker or supplier in a way designed to evade tax or National Insurance.
- Turning a blind eye to a circumstance where a third party is suspected of evading tax.

Worker Payment Arrangements

Lilac Alliance operates PAYE and umbrella payment arrangements for placed workers in accordance with HMRC requirements. We do not knowingly engage with umbrella companies, payroll providers or other intermediaries that facilitate tax evasion, disguised remuneration schemes, or other non-compliant payment structures. Any concern about the tax compliance of a payment intermediary must be reported to a Director immediately.

Due Diligence

We carry out proportionate due diligence on suppliers, umbrella companies and other associated persons who provide services connected to worker payments, to satisfy ourselves that they operate in a tax-compliant manner. Where concerns are identified, we will not continue to engage that party until the concern has been resolved.

Responsibility For The Policy

Ultimate responsibility for compliance with this policy rests with the Company's leadership team. The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations.

Simon Goddard has primary day-to-day responsibility for implementing this policy, 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.

Employees at all levels are responsible for ensuring those reporting to them understand and comply with

this policy and are given adequate and regular training on it and on the issue of tax evasion facilitation.

Record Keeping

We keep financial and payroll records and have appropriate internal controls in place to evidence the tax treatment of payments made to and through third parties. Any concerns raised, and the outcome of any related investigation, are recorded and retained.

How to Raise a Concern

The Company's Whistleblowing Procedure is intended to provide guidance on how concerns can be communicated to the Company. Concerns about suspected facilitation of tax evasion associated with the Company, or with our suppliers or clients, may be reported by employees in this manner.

In summary, employees should approach their Divisional Director. The nature of the complaint will determine the Company's next course of action. Members of the public or people not employed by us are encouraged to write, in confidence, to the Directors at Bank House, Marshall Terrace, Crossgates, Leeds, LS15 8EA to raise any concern relating to tax evasion facilitation.

Protection for Whistleblowers

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that tax evasion, or the facilitation of tax evasion, is or may be taking place in any part of our own business or in any of our supply chains. Any claims or allegations made which are found to be malicious or vexatious will result in disciplinary action being taken against the individual.

Training and Communication

Training on this policy, and on the risk our business faces from the facilitation of tax evasion, forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. Our zero-tolerance approach must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them, and reinforced as appropriate thereafter.

Review

Following its initial adoption, this Prevention of the Facilitation of Tax Evasion Policy will be reviewed by the Company's Board of Directors on a regular basis (at least annually) and may be amended from time to time.