1. Introduction

Traffic Labour Supplies is committed to complying with all of its legal and other obligations. TLS Ltd. understand that it can be held criminally liable if an employee or associated person (agent or 3rd party) facilitate tax evasion whilst providing services on its behalf. In that respect, the following describes the plans the company has in place to prevent tax evasion under the Criminal Finances Act 2017 Part 3.

2. Who Poses a Risk

The following general groups are considered to pose a risk of tax evasion:

a. Suppliers
b. Customers
c. Employees
d. Partners (sub-contract labour)
e. Payroll Companies
f. Accountants

Below is a risk assessment covering each group and the controls currently in place to control the risk. More detail of the controls are given below the risk assessment were considered necessary.

Prevention of Tax Evasion Risk Assessment – Parties that pose a risk										
Who	What	Risk pre-controls				Risk post-controls			Further Action?
		L	S	RR		L	S	RR	
Suppliers	Incorrect accounting for payments made, not decalring VAT or revenue.	3	4	12	Pre-check legitimatcy of company during supplier approval. Only pay by traceable methods and when an invoice has been presented (nothing informal such as cash in hand)	1	1	1	No
Customers	Illegal accounting practices with payments to TLS.e.g. Inflating payments etc.	2	5	10	Due diligence checks on customers such as Companies House Registration, annual accounts, credit rating etc. to assess their general standing.	1	2	4	No
Employees	Not declaring taxable earnings	1	5	5	All salaries paid directly through a payroll process linked to HMRC RTI filing.	1	1	1	No
Partners	Not declaring taxable earnings	4	5	20	Onboarding process ensures partner has RTW in UK has current PAYE/UTR references etc. All managed through Fastlane software. Payments made through legitimate Payroll companies , not directly to partner, so they are taxed at source. Partners who invoice directly are subject to due diligence checks on legitimacy of their company/business entity and are paid as per suppliers (i.e. not cash in hand or personal cheque).	1	3	3	No
Payroll Companies	Paying incorrect amounts or making incorrect deductions	1	5	5	Payroll companies provide reports of what partners have been paid and what deductions have been taken. These are checked by payroll team.	1	3	3	No
Accountant	Encouraging practices that are evading tax as opposed to avoiding tax.	1	5	5	Accountant provided documentation on its own control measures to ensure prevention of tax evasion.	1	3	3	No

3. Due Diligence

A variety of due diligence checks are carried out as part of the above controls, these include the following:

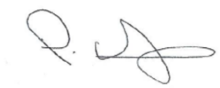
a. Financial checks are carried out on suppliers as part of supplier approval process including registration with Companies House, recent official accounts, credit checks and checks for any financial offences recorded against the company.
b. Similar checks are carried out on Customers.
c. Employees are paid directly and tax is removed at source. Employees are required to declare any additional jobs or earnings they have outside of TLS Ltd.
d. Partners are not paid directly by TLS, they are paid by payroll companies which TLS liaises with to ensure the Partners are both paid correctly and have the right level of deductions made at source.
e. Payroll companies produce reports for payments they make to partners. These are checked and reconciled against TLS's own records.
f. Some Partners invoice via their own limited companies. These companies are intitially checked in a similar way to suppliers and customers at the onboarding stage. Payments are only made by bank transfer, not cash or personal cheque, to ensure there is an official record of the transaction.
g. Accountants used by TLS are requested to provide information regarding their own Tax Evasion Prevention Policies, Processes and Procedures.

4. <u>Training and Awareness</u>

Staff are given training and made aware of their responsibilities regarding tax evasion at their induction, which is regular refreshed. This training includes:

- The difference between tax evasion and tax avoidance
- Due diligence checks
- Watching out for red flags
- The need to report it if they have knowledge or suspicion of any activities that could be considered tax evasion or other financial crime being carried out by any of the groups defined in section 2 above

Paul Chamley



Managing Director

Revision History

Revision	Date	What has changed?	Who has written it?	Who has approved it?
00	**18/03/2020**	**First Issue**	**Systems Manager**	**MD**
01	**13/02/2021**	**Reviewed and TA logo added**	**Systems Manager**	**MD**
02	**13/02/2022**	**Reviewed**	**Systems Manager**	**MD**
03	**24/01/2023**	**New TLS Group Logo added**	**Systems Manager**	**MD**
04	**17/01/2024**	**Annual review**	**Systems Manager**	**MD**
05	**17/01/2025**	**Annual review**	**Systems Manager**	**MD**
06	**17/01/2026**	**Review**	**Systems Manager**	**MD**