



**STATOM HOLDINGS Limited (Statom Group Limited, Statom Group North Ltd, Statom Plant Ltd, Statom Remediation Ltd, Demoforce Group Ltd, FL-Facilities Group Ltd, Slipform Technology Ltd, Spark Tech MEP Ltd, Franki Foundations UK Ltd, Martello Piling Ltd) (“Statom”, “the Company”)**

We are committed to high standards of professional conduct, integrity and accountability. As a leading civil engineering and construction organisation, we recognise that the behaviour and standards of our people are fundamental to building a strong, respectful culture and protecting our reputation as a trusted industry leader.

We expect everyone working for or on behalf of the Company to act with professionalism, respect and responsibility at all times, reflecting our values and supporting a positive working environment. Clear standards of behaviour are essential to ensuring safety, quality and effective collaboration across our projects and teams.

## 1. Purpose

This policy sets out which business expenses the Company will pay, how claims must be approved and evidenced, and how Finance will assess their tax and National Insurance treatment. It consolidates HR-POL-059-04, the earlier HR-POL-059-07 and HR-PRO-034-01. It takes effect only when approved and issued by the Group, at which point it supersedes those documents on the matters covered here.

- ensure compliance with HM Revenue & Customs (HMRC) rules, PAYE and National Insurance requirements, the Bribery Act 2010, the Criminal Finances Act 2017, and applicable fraud prevention requirements;
- protect Statom Group, its subsidiary companies, workers and employees from financial, legal, tax and reputational risk;
- ensure expenses are reasonable, evidenced, authorised and treated consistently across the Group; and
- support fair treatment without allowing employees to be either financially disadvantaged or personally advantaged by legitimate business expenditure.

## 2. Scope

This policy applies to:

- all employees of Statom Group and its subsidiary companies, regardless of role, grade, work location or employing entity;
- all workers, consultants, agency workers and contractors where the Company has expressly agreed in writing that business expenses may be claimed; and
- any person using a corporate card, petty cash float, purchase card, fuel card, supplier account, booking platform or other method of committing Statom Group or any subsidiary company to expenditure.

In this policy, “the Company” means the Group entity that employs or engages the claimant or has authorised the expenditure. The legal entity responsible for paying the claim and meeting its tax obligations must be identified in the accounting and payroll records. The Group description at the start of this document does not make another entity a party to an employment or supplier contract.

For non-employees, this policy governs only expenditure the Company has agreed to meet; it does not change employment status, contract terms, CIS treatment or the supplier invoice route.

## 3. Core Principles

- Claims must relate to a genuine, authorised business purpose. Finance will apply the relevant statutory test before treating a payment as tax exempt; business approval alone does not make an expense tax free.
- Claims must include an itemised invoice or receipt where one is reasonably available, together with enough information to establish the date, amount, supplier and business purpose. A card terminal slip alone will not normally be sufficient. Finance may accept suitable alternative evidence and will determine whether any VAT can be recovered.
- Expenses outside standard limits require prior approval from the relevant Business Unit Director or Managing Director.
- Employees must choose cost-effective options and avoid unnecessary or excessive expenditure.
- Finance will decide the correct Income Tax, National Insurance and reporting treatment, including PAYE, P11D, payrolling of benefits or a PAYE Settlement Agreement where applicable. The available reporting route may change as legislation takes effect. Managers must not promise that an approved expense will be tax free.
- Employees must disclose any personal benefit, supplier incentive or loyalty reward arising from Company expenditure and follow the conflicts of interest rules. No claim may duplicate a Company payment or another reimbursement.

#### 4. General Rules

- Payments to subcontractors must follow the approved Accounts and invoicing process. Finance will determine whether the Construction Industry Scheme applies, perform verification where required and make the appropriate deductions. No cash payment may be made to avoid that process.
- The Company will not reimburse discretionary tips or gratuities unless they are an unavoidable and reasonable mandatory service charge. Bribes, inducements, facilitation payments or improper payments are strictly prohibited.
- Suspected false, inflated, duplicate, personal or misleading claims will be investigated under the appropriate procedure. Deliberate dishonesty may amount to gross misconduct or fraud; any referral to the authorities will be considered on the evidence.
- Employees must not facilitate, ignore or assist tax evasion by any person or organisation. Concerns must be reported to Finance, HR or through the Company's whistleblowing route.
- This policy will be applied consistently and without discrimination on any protected ground under the Equality Act 2010. Reasonable adjustments will be considered where appropriate.

#### 5. Expense Submission and Reimbursement Timetable

1. PAYE employees should submit claims through Sage HR within 60 calendar days of incurring the expense, with the date, business purpose, project or cost code, and attendees where relevant. Finance will provide an approved alternative if access is unavailable. CIS subcontractors and agency suppliers must use their agreed invoice and Accounts process. A contractual right to reimbursement and any statutory minimum wage obligation are not extinguished by this administrative deadline.
2. Line managers should approve complete claims by the 1st of the following month where practicable. Approval confirms business purpose and reasonableness; Finance determines tax treatment and the appropriate payment route.
3. Finance will process approved, evidenced claims in the next available expense or payroll cycle, subject to the published cut-off. Approval after the 2nd may delay payment until a mid-month run or the next available cycle. Tax-exempt reimbursements must be identified separately from taxable pay; payroll must apply any required deductions to taxable payments.
4. A claim made after 60 days requires an explanation and Finance approval. Finance may defer a claim while seeking evidence and may refuse a claim that cannot reasonably be verified, subject to any contractual entitlement and legal obligation. Sickness, leave, system failure and other reasonable circumstances will be considered. The Company will not treat an expense reimbursement as pay for National Minimum Wage purposes merely because it passes through payroll.
5. Employees must not approve their own expenses. Expenses for directors or senior managers must be approved in line with the Company's delegation of authority.

#### 6. Travel

- Necessary travel in performing duties or to a qualifying temporary workplace may be reimbursed. Travel between home and a permanent workplace is ordinary commuting and is not reimbursable under this policy, unless an express contractual entitlement or specific statutory rule requires otherwise; Finance will assess the tax position of any such payment. Working from home does not automatically change this result. For site assignments Finance will assess whether the workplace is temporary, including the expected duration, the 24-month and 40% rule, and substantially similar journeys.
- For authorised business miles in an employee's own car or van, including an electric or hybrid vehicle, the Company rate for the 2026/27 tax year is 55p for the first 10,000 business miles in that tax year and 25p thereafter. Motorcycle mileage is 24p and cycle mileage 20p per business mile. For a fellow employee carried in a car or van on a journey that is also business travel for them, an additional 5p per passenger per business mile may be paid. Claims must show date, start and destination, business purpose, business miles, vehicle and passengers. A driver must have an appropriate valid licence, roadworthy vehicle and insurance covering the business use. Finance will verify changes to statutory rates and communicate any amendment to the Company reimbursement rate.
- Receiving a car allowance does not automatically prevent an employee using their own vehicle from claiming authorised business mileage. Finance must check the individual contract and assess Income Tax and National Insurance separately, including any relevant motoring expenditure, so that the same cost is not reimbursed twice. Company cars, hire cars and salary sacrifice cars do not qualify for employee-owned vehicle mileage rates. The applicable fuel, electricity or advisory fuel arrangements apply instead, subject to Finance approval and evidence. A journey or charging cost may be claimed only once.
- Rail travel: standard class is expected. First class requires prior approval where it is cheaper overall, needed as a reasonable adjustment or justified by an exceptional business reason.
- Air travel: economy class is expected. An exception for long or overnight journeys, a reasonable adjustment or exceptional business need requires prior Managing Director approval.
- Parking, tolls and congestion charges: reasonable costs for authorised business travel may be claimed with evidence. Parking fines, speeding penalties, late payment charges and enforcement costs are not reimbursable.
- Taxis and private hire: use only where necessary, safe and cost-effective, including inaccessible public transport, unsocial hours or carrying equipment. Record the reason and provide a receipt. Ordinary commuting by taxi is not a tax-exempt business expense.

## 7. Accommodation and Subsistence

- All accommodation and travel-related bookings must be made through the Company's approved booking system, designated travel provider or approved internal process. Employees must not book directly with hotels, booking sites or other providers unless expressly authorised.
- In genuine emergencies where accommodation cannot reasonably be arranged through business, employees may book directly and must notify their manager as soon as practicable.
- Emergency direct bookings are capped at £70 per night, or £100 per night for central London, including VAT and excluding breakfast. The employee must explain the business need and notify their manager promptly. "Central London" and any higher cost must be confirmed in writing by an Executive Committee Director before booking where practicable, or as soon as possible in a genuine emergency. An exception is discretionary and must be recorded; it does not alter the tax treatment.
- Receipts must be provided in all cases. Where a receipt cannot reasonably be obtained, Finance may require alternative evidence and an explanation.
- For qualifying overnight business travel, reasonable actual meal and non-alcoholic beverage costs may be claimed up to £30 per day with itemised receipts. The £30 is a Company cap, not an automatic daily allowance or an HMRC tax-free scale rate. Meals included in a hotel booking or provided by a client cannot be claimed again. Alcohol is normally excluded unless approved as business entertaining.
- For qualifying overnight business travel, the Company may reimburse reasonable incidental personal expenses up to £5 per night in the UK and £10 per night overseas. These are statutory exemption limits, not automatic allowances. The claim must identify the relevant night and the Company will consider all payments for that night together; exceeding the statutory limit can make the entire incidental expenses payment taxable.
- A payment of up to £35 per night for staying privately on authorised business travel requires advance written approval. This is a Company limit, not a statutory tax-free rate. Finance will require evidence of any actual qualifying expense and otherwise treat a round-sum payment as taxable, with appropriate payroll deductions. No payment arises simply because the employee did not book a hotel.

## 8. Overseas Travel

- The same principles apply to overseas travel. Higher accommodation or subsistence costs require appropriate approval and evidence. Finance may apply published HMRC overseas scale rates only where their conditions are met. Where a separately approved overnight subsistence schedule specifies a different Company cap, Finance will confirm which approved rule applies before booking; tax exemption is assessed separately.
- Expenses must be claimed in GBP. Currency conversion must be supported by bank or credit card statements, the card provider's rate, or an official HMRC exchange rate.
- Spouse, partner, family member or companion costs are not reimbursed unless their attendance is essential to the business purpose and approved in writing in advance by a Managing Director.
- Employees must comply with local anti-bribery, anti-corruption, sanctions, tax and customs requirements. Any uncertainty must be escalated before expenditure is incurred.

## 9. Business Entertaining, Gifts and Staff Events

- Business entertaining is permitted only where it directly supports legitimate business objectives, is reasonable and proportionate, and is fully evidenced. Claims must record the attendees' names, organisations, business purpose and date.
- Gifts and hospitality must be pre-approved by a Managing Director and must comply with the Bribery Act 2010 and the Company's Anti-Bribery and Corruption Policy.
- An annual staff function can qualify for exemption if it is open to all employees or all employees at a particular location and the cost per attendee, including VAT, travel and accommodation provided for the event, falls within the £150 limit. If there is more than one annual function, Finance will determine which qualifying event or combination of events falls within the aggregate £150 per-head limit. An event outside the exemption is generally taxable on its full cost per head, not just the excess. This is a tax rule, not an event budget.
- Where an event, gift, voucher or hospitality does not meet a tax exemption, Finance will determine the required payroll, P11D or PAYE Settlement Agreement treatment. Business entertaining and VAT recovery must be assessed separately; approval to spend does not confer tax relief.

## 10. Other Expenses

- Charitable donations up to £500 may be approved by the relevant EXCO Director. Amounts over £500 require Statom Giving approval. Political donations require Group Board authorisation and must comply with applicable law.
- The Company may approve up to two role-relevant professional subscriptions per year. Finance will check whether the organisation and subscription meet HMRC conditions for tax relief; an approved Company payment may still be taxable where those conditions are not met.
- Training, study support and qualifications must be pre-approved by HR/Learning and Development and supported by a business need. Repayment terms must be agreed in writing where applicable.

- Company-provided equipment should be used for business purposes. Business use of personal devices is at the employee's own cost unless specifically authorised. Any reimbursement must comply with information security and data protection requirements.
- Books, standards, publications and technical resources may be reimbursed only where business-related, approved, and made available to the team where appropriate.

## 11. Eye Tests, VDU Glasses and DSE Support

The Company provides eye and eyesight tests for employees who meet the legal definition of a DSE user and will provide basic corrective appliances where the test shows they are specifically required for DSE work. The Specsavers voucher arrangement is the preferred route; Health and Safety will assess any necessary alternative or reasonable adjustment.

- To obtain a voucher, email [safety@statom.co.uk](mailto:safety@statom.co.uk) with your full name, site name and the type of voucher required.
- The voucher arrangement covers an eye and eyesight test and basic corrective appliances where the prescription is specifically needed for DSE work. Ordinary prescription glasses and optional upgrades are not covered by the statutory DSE duty; any additional scheme benefit remains subject to its terms.
- Where protective eyewear is required for the work, Health and Safety will assess the appropriate safety specification and any prescription need under the relevant PPE arrangements. A DSE voucher does not replace the Company's separate safety eyewear obligations.
- Employees should request a DSE voucher before booking and follow the provider instructions. They may contact Health and Safety if a participating provider or the voucher route cannot meet an assessed need.
- The Company will arrange and pay for a required DSE eye and eyesight test and basic glasses specifically required for DSE work. If the voucher route cannot reasonably meet that obligation, Health and Safety will arrange an appropriate alternative. Optional products do not attract an automatic cash alternative.

## 12. Relocation

- The Company may cover relocation costs where employees are asked to move for business reasons and the arrangement is approved in writing in advance.
- Up to £8,000 of qualifying relocation costs may be exempt from tax and National Insurance where all statutory conditions and time limits are met. This is a tax exemption ceiling, not an automatic entitlement or blanket tax-free allowance. Finance will review each item and tax any non-qualifying or excess payment.
- Relocation repayment will apply only if the employee has agreed clear written terms before the Company incurs the relevant cost or makes the payment. Where agreed, the proposed scale is 100% of eligible Company relocation costs if the employee voluntarily leaves within six months and 50% if they voluntarily leave after six months but within 12 months. The agreement must define the costs and any exceptions; the Company will consider the circumstances and any applicable legal limits before recovery.
- The Company may deduct an agreed repayment or overpayment from wages only where the law permits and the contract or a prior written consent provides the required authority. Finance and HR will check wage protection and National Minimum Wage implications before any deduction; otherwise any recovery will use a separate lawful process.
- Temporary relocation costs, such as accommodation or travel home allowance, may be provided where necessary and subject to tax rules.

## 13. Corporate Cards, Fuel Cards and Company Accounts

- Corporate cards, fuel cards, supplier accounts and booking accounts must be used only for authorised business expenditure.
- Employees must retain and upload receipts promptly and must not split transactions to avoid approval limits.
- Personal expenditure on a Company card or account is prohibited except in a genuine emergency. The cardholder must notify Finance and their manager immediately, identify the personal item and repay it promptly by an agreed lawful method. A payroll deduction requires separate legal authority.
- Loss, theft, suspected fraud or unauthorised use must be reported to Finance immediately.

## 14. Records, Data Protection and Audit

- Finance will retain employee expense and benefit records for at least three years from the end of the tax year concerned, and VAT and accounting records for the longer period required by those rules. Records subject to a tax enquiry, dispute, litigation hold or other applicable requirement must be kept longer. The Group retention schedule controls access and secure deletion.
- Expense claims may contain personal data, including travel, location, bank, payment and health-related information where relevant. The Company will process such data in accordance with UK GDPR, the Data Protection Act 2018 and the Data (Use and Access) Act 2025.
- Employees must not upload unnecessary personal data or third-party information with claims. Where sensitive information is unavoidable, it should be limited to what is necessary to evidence the claim.
- The Company may audit claims, request supporting evidence, contact suppliers, review booking data and investigate unusual patterns or suspected misuse.

## 15. Governance and Compliance

- Employees are responsible for understanding and following this policy before incurring expenditure.
- Line managers must review claims promptly and challenge incomplete, excessive, personal or unsupported expenditure.
- Business Unit Directors and Managing Directors must authorise exceptional expenses and ensure approvals are reasonable, consistent and documented.
- Finance reviews claims for compliance, tax treatment, reporting requirements and audit purposes before reimbursement.
- HR will support disciplinary, grievance, whistleblowing, equality, reasonable adjustment and policy interpretation matters where required.

## 16. Legal Safeguards

- This policy must be applied alongside current UK tax, National Insurance, minimum wage, wage protection, equality, data protection, anti-bribery, fraud prevention and health and safety law. If legislation or HMRC guidance changes, Finance will apply the rules in force for the relevant payment. An approval under this policy cannot override a contractual or statutory entitlement.
- Nothing in this policy prevents employees from raising protected disclosures under the Public Interest Disclosure Act 1998 or from exercising statutory employment rights.
- Any repayment, set-off or deduction from pay will be managed only where there is a lawful basis and will be handled consistently with wage protection rules.
- Any dispute about an expense claim should be raised with the line manager and may be escalated through Finance, HR or the Company's Grievance Procedure.

## 17. Non-Compliance

A suspected breach will be investigated fairly under the relevant Company procedure. Serious deliberate dishonesty may constitute gross misconduct and may justify dismissal, recovery action or referral to the authorities, subject to the facts and applicable law.

Related documents: HR-PRO-079-01 Overnight Subsistence Schedule (where approved and issued); Anti-Bribery and Anti-Corruption Policy; Anti-Fraud Policy; Anti-Tax Evasion Policy; Whistleblowing Policy; Data Protection Policy; Employee Monitoring Policy. Salary sacrifice scheme rules apply separately.

Approval status: draft for Finance, HR and Group review. Board approval, policy owner, effective date and next review date must be recorded before issue.

## 18. Review

The policy owner will review this document at least annually and sooner following a material legal, HMRC or operational change. Substantive amendments require the Group approval specified by the delegation of authority. Finance may issue an updated mileage rate or operational limit after approval through the same governance process.