

BOURNER BULLOCK

Chartered Accountants

Sovereign House
212-224 Shaftesbury Avenue
London WC2H 8HQ
Tel: 020 7240 5821
Fax: 020 7240 5827
Email: bb@bournerbullock.co.uk

Partners
Peter Watts · Michael Brooks
David Matkins · David Wheeler · Viraj Mehta



A member of the JPA International network of independent accountancy firms. Registered to carry on audit work in the UK and Ireland and regulated for a range of investments business activities by the Institute of Chartered Accountants in England and Wales. Registered with the Chartered Taxation as firm of Chartered Tax Advisers.

Modern Slavery Act 2015



What does it mean to employers?

The UK government has implemented the Modern Slavery Act 2015, which now requires certain organisations to publicly state the measures they have taken to ensure their operations are free of trafficking and slavery.

The aim is to promote the transparency of supply chains and to place a responsibility on organisations to help eliminate modern slavery and human trafficking. Reputable organisations may be satisfied that their own operations are slavery-free, but may be less sure about their suppliers and other business relationships.

The organisations that fall under the legislation should publish a public statement as soon as reasonably practicable following their financial year end. The Act is effective from 29 October 2015, however, organisations with financial year ends between 29 October 2015 and 30 March 2016 do not need to prepare a statement until the following year.

Does this apply to you?

The regulations require commercial organisations (including limited companies, LLP's and partnerships), wherever incorporated or formed, to produce a statement if they:

- carry on a business, or part of a business, in the UK;
- supply goods or services; and
- have an annual turnover of £36m or more

Total turnover is calculated as the amounts derived from the provision of goods and services falling within the ordinary activities of the commercial organisation and of any of its subsidiary undertakings, after deduction of trade discounts, VAT.

If any organisation within a group meets these requirements, it is legally required to produce a statement. Where a parent and one or more subsidiaries in the same group are required to produce a statement, the parent may produce one statement that subsidiaries can use to meet this requirement.

Writing your statement

The annual statement must describe the steps the employer has taken towards preventing slavery and human trafficking. Guidance issued by the Government recommends that the statement should:

1. Be written in simple language to ensure that it is easily accessible to everyone.
2. Be succinct but cover all the relevant points as well as link to relevant publications, documents or policies that your organisation may already have in place.
3. Be written in English (but can be provided in other languages which are relevant to the supply chain).
4. Specify actions on a country by country basis to help readers understand the context of the steps taken.

Once the annual report has been prepared it must be approved by the board of a limited company or, in the case of an LLP, the LLP members. The statement must then be published on the organisation's website with a link in a prominent place on the homepage.

Penalties

The Act sets out the criminal offences of knowingly holding another in slavery or servitude, requiring another to perform forced or compulsory labour and arranging or facilitating the travel of another person with a view to their being exploited. And although there are only limited penalties for non-compliance the social and reputational damage of non-compliance could be significant.

How can we help?

We are very pleased to discuss these changes and their impact on your company and explain what will be required and when it will need to be done. If you would like to discuss these issues in more detail, please contact us.