

MHA MacIntyre Hudson Transparency Report

Year ended 31 March 2022

Sustainable delivery. Now, for tomorrow.

A solid base, the right people, and quality driven

£81m

Fee income of **£81 million** in 2022
(up from **£75million** in 2021)

Top 15

firm of Chartered
Accountants
in the UK

FRC

FRC 2021 Firm Rankings
No. 7 (concentration of listed
company audits)
No.10 (UK fee income of firms
with PIE audit clients)



807 Staff
90 Partners



42 Responsible
Individuals



9 offices in the UK

MHA MacIntyre Hudson is the trading name of MacIntyre Hudson LLP, a well-established firm of Chartered Accountants which can trace its roots back to 1880.

We have a history of consistent, profitable growth – more than doubling our gross fee income over the last 10 years.

We are a founder member of MHA which is a national network of independent accountancy firms and a member of Baker Tilly International (BTI), an international network of independent accountancy firms and business advisors.



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A Leadership Messages



Managing Partner and Group Chairman
Rakesh Shaunak

Welcome to MHA MacIntyre Hudson's third Transparency Report. Following the end of the lockdown in the UK and the successful vaccination program, I was hopeful that my introduction to our 2022 Transparency Report would not need to include a reference to the global COVID-19 pandemic. However, COVID-19 continues to be a threat with Omicron (and its sub-variants), a potential fifth wave of infections in the UK and the effects of long COVID.

Flexible working

Flexible working is now established as a feature of modern professional work, with people adapting to using automated information sharing systems and attending meetings online. I think that, in some form, it's here to stay.

We have introduced a Flexible Working Policy which allows for a mix of home and office working. This allows our people and teams more flexibility to manage their working day/week and, from the feedback we have received, it has improved people's work-life balance and our office environment that is now less crowded.

However, all of our offices are open and fully functional, and we encourage all our partners and staff to regularly meet with their colleagues and clients in-person in order that we do not lose the spontaneity and relationship building that such contact generates.

Ukraine

Overshadowing COVID, of course, was the Russian invasion of Ukraine in February 2022. We sympathise with the Ukrainian people and stand with the UK government and the international community in condemning the Russian government for its unprovoked invasion and breach of international law. The Ukraine situation has also fuelled the increase in the rate of inflation in the UK (and across the world) providing a challenge to our business and our people.

Firm performance and growth

The efforts and quality of our people has directly contributed to our firm's continued success and profitable growth. Our total partner base is now 90 and our Audit Partner group ("responsible individuals") is 42 (with another one of our Audit Directors awaiting final regulatory approval). We are also actively recruiting two more Audit Partners. In early 2022, we also opened a new regional office in Colchester which supports our client base across Essex, Suffolk, Norfolk, and Cambridge. The firm has been described as "mid-tier" and a "challenger firm" in the press. I prefer the more precise description of "Tier 2" (under the FRC's Audit Supervision Regime) as it provides provenance and removes any subjectivity. This is because of our significant, and expanding, audit client base of larger, public interest audit clients such as banks and listed companies. There are only 7 firms in Tier 1 (all Top 10 firms) and 5 firms in Tier 2. I believe that the above statistics are a true reflection of our ambition, focus, and place in the market.

Audit, Ethics and Risk

Our Head of Audit and Assurance, Andrew Moyser and our, recently appointed, Ethics Partner, Simon Knibbs have written the next two Leadership Messages. An ethical approach to everything we do is paramount, which is why Simon's role is crucial. The section after that, on Risk Management (written by our Chief Risk Officer – Martin Herron) will include reporting of our key business risks and mitigation measures.

Concluding remarks

The country and this firm have experienced unprecedented global events over the last few years, and I am proud to have led the firm during this time. The firm's underlying strength and resilience has prevailed. Going forward, I believe that we have the right people in place for our continued profitable and sustainable growth, and that the quality of our work will continue to allow us to retain our existing clients and attract new clients, many of them being large, public interest companies.

Now, for tomorrow.

Rakesh Shaunak
Managing Partner and Group Chairman
31 July 2022



Head of Audit and Assurance
Andrew Moyser

As the impact of covid-19 starts to fade for many economies around the world, the 24 February marked an important milestone when Russia invaded Ukraine and war broke out – the third asymmetric shock that the EU has experienced in the last two decades after the 2008 financial and economic crisis and COVID-19.

As a profession we now face new challenges of continuous changes to sanctions, significant changes to international business and new macro-economic pressures particularly with inflationary pressures - the new normal something we thought not possible.

The last 12 months has seen more staff working from our offices on a 3-day week basis. The benefits of working in the office is incredibly important for many individuals particularly with our trainees who benefit far more from greater interaction with more senior staff. We do, however, embrace the benefits of remote working practices too allowing the best of both working environments.

Our practice continues to show strong growth and we see plenty of opportunities to continue going forward. Growth allows the firm to provide opportunities for staff in their development and enhances the need for staff resources and training. We have continued to gain listed work improving our position to no.7 in the FTSE 250 rankings. Our firm plans to continue growing in this market since we have knowledge and resources available. We follow a robust client acceptance procedure but to us it is important that we have the sector experience and resources available in each jurisdiction in order to deliver a quality audit.

With the lessons learnt from COVID-19, we have flexibility to onboard resources from anywhere in the world and we have undertaken a strategic programme over the last 12 months to use individuals within the network to assist our firm with delivery. Most noteworthy has been the onboarding of around 20 staff from our Ukrainian firm who now work with our teams to deliver our shared values and culture.

Utilising other Baker Tilly staff from around the world has provided our firm with lots of enhanced benefits. Whilst we all utilise the same audit methodology, the experience of others has helped our teams understand new features and ways of working which enhances our audit efficiency and quality.

We are committed to continuously improve our audit quality and understand the benefits of using technology. Our investment in tools, such as Inflo, has really helped improve the quality of our audits and we continue to

bring in other software into our “toolbox” to provide more options to enhance our proposition with clients. We recognise our staff are our biggest asset and we take the investment in the training and development of our staff as a priority. Our Friday sessions of “It’s not rocket science” has provided bite sized training every week on a variety of topics. Our ability to tweak the content to current issues has ensured staff are aware of topical matters at the right time.

Our Audit Quality Board has provided good oversight, on behalf of the board, to monitor the execution of the Quality Improvement Program, advise the National Assurance Specialists Advisory (NASA) team on matters related to audit quality and make recommendations to our management board as appropriate.

Recognising the importance of climate change and Sustainability and ESG reporting, in April 2022 we recruited Jose Hopkins to strengthen our ESG management team. Jose has a wealth of experience in these areas. His background is covered in more detail in Section C.

Following the FRC’s 2022 Audit Firm Governance Code, our firm is embracing the opportunity to implement the Audit Firm Governance Code. The firm’s management board is committed to several important changes which will place greater emphasis on public interest and audit quality within our firm.

We are genuinely excited by the opportunities that the proposed BEIS reforms present, to the audit profession, to us as a firm and to the entities which we audit and hope to work with in the future. The package of reforms is unprecedented in its breadth and represents a tremendous opportunity for all parties to work together for the public benefit and to truly restore trust in financial reporting in the UK. One of the most important aspects of this consultation is that it is about much more than simply audit reform. We are fully supportive of the need to undertake reforms to restore trust in our profession, which has been talked about for some time. Reforms of aspects of Corporate Governance along with an enhanced and engaged regulator are also critically important.

Recognising that the audit profession continues to develop, our firm is always looking forward particularly with the impact of regulation and standards. We recognise that the next few years will see some significant changes with our regulator which combined with the introduction of ISQM1, ISQM2, ISA 220, ISA 240, ISA 315, and the BEIS consultation results in some of the most significant changes we have ever seen. We embrace these changes and believe we are well positioned to continue our growth and expansion.

Now, for tomorrow.



Ethics Partner
Simon Knibbs

Ethical behaviour is paramount to the reputation of our people, the confidence in our profession and the continued success of our firm. Integrity, objectivity, and independence are at the core of everything we do, and we expect our partners and our employees to uphold these values at all times.

We have policies and processes in place, which are regularly scrutinised, to ensure that the firm complies with the requirements of up-to-date legislation and regulation. The Firms Ethics Manual, ongoing training and the Ethics Committee provide support to our partners and our employees to help maintain the highest standards of behaviour because we are aware that every day, our people are put in situations that put our principles to the test. All our people confirm their understanding, of and compliance with requirements through annual declarations.

Our growth as a firm, particularly with listed entities, is both exciting and challenging. We recognise that upholding the highest levels of independence, objectivity, and professional scepticism provides us with the opportunity to strengthen confidence and trust in the profession. We welcome this opportunity.

In June 2022 I took on the role of Firm's Ethics Partner, having been a Regional Ethics Committee Member (REP) for several years. I am well supported in this role by the Deputy Ethics Partner, Neil Stern, and the other REPs, who continue to play such a significant part in the ethics of the firm, and with further assistance from the Technical Team. Kate Arnott, who is also a member of the Management Board, sits on the Regional Ethics Committee, which ensures ethical matters are considered and reviewed at the highest management levels of the firm.

The Regional Ethics Committee meetings are held on a regular basis and are also called as and when required to consider specific ethical matters as they arise. The Committee operates with a culture of collaboration and professional challenge where all committee members contribute to the content and outcomes of the meetings. Extension of invites to attend these meetings to non-REP's will be expanded to broaden the exposure of the Committee to the wider practice.

The REPs have maintained their diligent monitoring of ethical concerns as they arise, with regular discussions of difficult issues and a number of changes to firm's policies. This team approach to ethical issues has been even more important during the year, with the continued growth of the firm in all the regions. The supportive ethics function has assisted the work of all our staff, with the focus on the highest ethical compliance being reflected throughout the firm.

The various impacts of the changes reflected in the revised FRC Ethical Standard have now been fully integrated into our policies. Changes in our procedures, detailed in the firm's Ethics Manual, have remained under constant review with several small amendments in the year, such as amendments to our long association as well as gifts and hospitality policies.

We cover these changes in our training and have circulated revised Ethics Policies to clarify requirements, highlighting issues where appropriate through the firm's weekly training session for audit staff, 'It's not Rocket Science' and the firm's bi-weekly edition of 'New Horizons'.

Our regular ethics training has continued to focus on ethical scenarios and examples of ethical risks and safeguards which have arisen with the firm. The REPs have discussed certain ethical breaches and challenges, to highlight potential problems as new issues arise in differing sectors of the business.

Whilst we already demand the greatest standards of integrity and independence from our partners and employees, we also embrace the need to enhance independence and prepare to meet future challenges before they arise. As a team of REPs, our focus for 2022 is on the implementation of the new International Standards of Quality Management for all the areas of ethical concern. We will concentrate on documentation of our detailed risk analysis and aim for continuous improvement over our internal control procedures, our compliance and quality-focused culture and our employees' knowledge.

Contentious issues and potential ethical breaches will continue to be addressed through consultation with REPs and discussions at Ethics Committee meetings. Analysis of potential breaches to policy and procedure, as well as investigation into the root cause of breaches, should they arise, is being implemented. This can only serve to enhance the controls already established and preserve the firm's ethical integrity.

Now, for tomorrow.

B Risk management



Martin Herron
Chief Risk Officer

I reported in 2021 that the robustness of the Firm’s risk management framework had been tested like never before due to the impact of Covid and it was extremely pleasing to note that our systems and operations held up extremely well during these tough and challenging times. This is testament not just to our Leadership and Governance teams but also to our people who demonstrated resilience and agility in adapting to the changing and challenging conditions. As a Firm, we learnt many lessons as a result of the pandemic and have continued to adapt and enhance our working practices as a result.

The Russian/Ukrainian conflict is now another global crisis which tested our robust systems and responsiveness to the fullest. A Task Force was immediately established following the Russian invasion with the initial remit of looking at our exposure to Russian/Belarusian/Ukrainian clients or connections. Enhanced procedures were quickly implemented to mitigate our risk exposure in these territories working alongside our PI brokers, insurers, lawyers and wider BTI network to understand the implications of the changing sanctions being introduced across the globe. We are continuing to hold Task Force meetings and monitor the situation very closely.

Another key area of focus for us during the year was in relation to the requirements of ISQM1 and 2. We have and are continuing to make great strides in our understanding and the ramifications for our business with the implementation of ISQM 1 and 2 later in the year.



Risk Management Framework

The Risk Compass continues to be the main focus for our Risk Framework and each of the 8 pointers are regularly reviewed to monitor our exposure to identified risks specific to each area and consider whether our operating controls are mitigating our exposure to these risks to an acceptable level. This review process also considers new and emerging risks within each area to determine where we need to enhance our controls or change our way of working or behaviours. This process is central to the operation and management of our Risk Management System (RMS).

Strengthening our Risk Function

A dedicated Risk Committee (RiCo) was established during the year that is chaired by me as Chief Risk Officer. The other members of the RiCo consist of our Audit Compliance Partner and Vice Chair, Andrew Moyser together with our People Partner, Jane Walker-Smith and our Head of Tax, Patrick King. The members of the RiCo are suitably experienced and hold other senior positions within the Firm to ensure that any recommendations arising from the RiCo are properly listened to and addressed.

The RiCo reports directly into the Management Board and have had their Terms of Reference agreed with the Management Board.

Since March 2021 we have recruited an in-house solicitor with a wealth of expertise in risk management and Professional Indemnity Insurance matters in the accountancy sector. We will continue to strengthen our dedicated Risk Management Team through 2022.



Key Business Risk Objectives and mitigation measures



Regulatory

Objective - To ensure adherence to all current and changing regulatory and legislative requirements and where breaches do occur, they are correctly communicated and dealt with in a timely and appropriate manner.

Mitigation measures:

- Clear policies and procedures
- Regular training and updates
- Internal and external regulatory reviews
- Whistleblowing policy and dedicated 'hotline' support
- Breach reporting and sanctioning
- Strong internal Risk and Ethics Functions



Client delivery and quality

Objective - To ensure that we provide a consistent high-quality service to our clients by following Firm procedures and regulatory requirements whilst ensuring that we identify and manage any potential conflicts of interest or ethical threats.

Mitigation measures:

- Internal licencing of partners allowing only certain partners to do certain work
- Strong internal review processes and sanctioning where necessary
- Peer reviews
- Robust take on procedures to ensure we have the expertise and skills necessary
- Engagement Risk Acceptance Panel (ERAP) and
- Contentious Issues Forum (CIF)
- Strong technical input on more specialist assignments/sectors



HR/People

Objective - To ensure that we support, train, safeguard and protect the welfare of our people throughout their working lives without any prejudices or discrimination.

Mitigation measures:

- Introduction of 25 trained Mental Health first aiders across the firm, focussed on employee wellbeing
- Well-being calendar of events and motivational speakers
- Introduced a whole suite of supporting wellbeing literature, webinars, and resources for all staff
- Enhanced our EAP benefits and access to doctors
- HR Development Committees in place to recognise key talent & reward where appropriate
- Regular Employee Engagement surveys enabling employee voice, measurement of organisational culture and identifying key levels that require reengagement
- Invested in our hybrid training abilities with an extensive range of face to face and online training and resources
- Increased focus on Equality, diversity and inclusion initiatives and committee.
- Continuously develop from our feedback and benchmarking frameworks. We received the IIP Gold standard this year demonstrating our commitment to our people.



Technological and Cyber

Objective - To ensure that the firm is maximising the use of available technology in a secure and cost-effective manner to support our people, our reputation, and our services.

Mitigation measures:

- Implementation of technical security controls focused on email, internet browsing and endpoint attack vectors
- Improved security governance and policy alignment to industry standards
- External and Internal Penetration Testing undertaken with no high vulnerabilities identified.



Sustainability and ESG

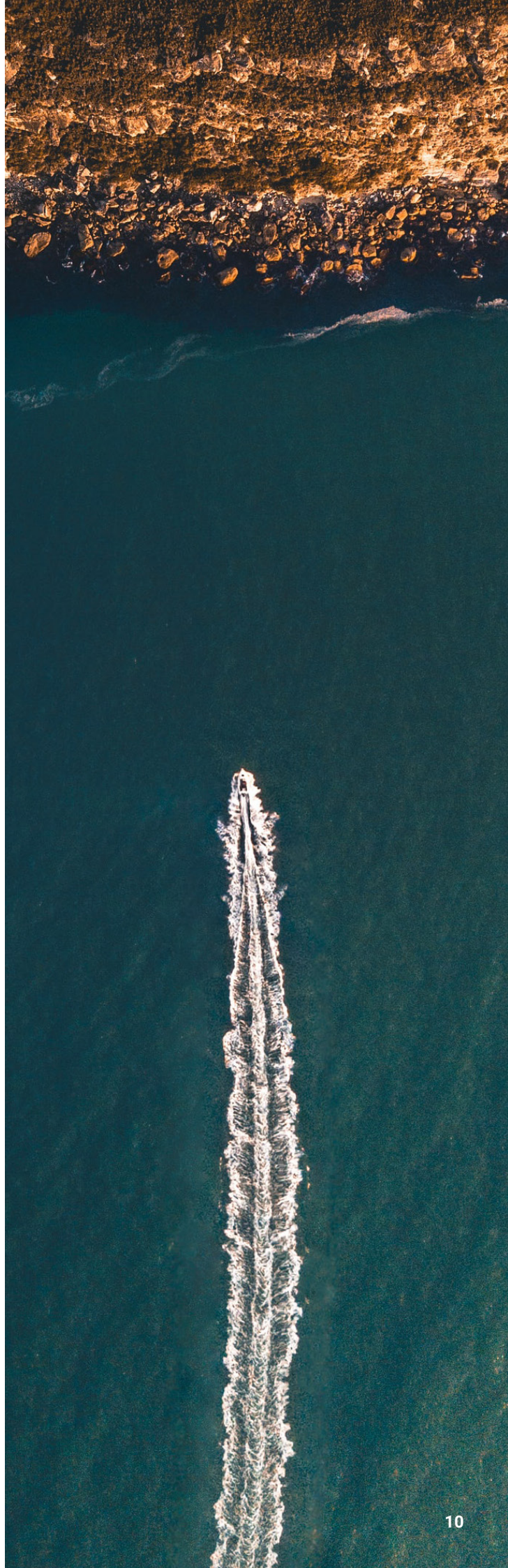
Objective - To ensure that our Sustainability ESG strategy and performance effectively addresses our environmental, social and governance responsibilities, including in relation to climate change, and leads to our business becoming an unattractive investment proposition for our employees, clients, suppliers, investors, lenders, communities, and other stakeholders

Mitigation measures:

- Existing policies, procedures, management structures and Board oversight covering compliance with the key components of Sustainability & ESG
- Monitoring of compliance and reporting in line with the UK Corporate Governance Code, TCFD, SECR & ESOS, covering governance responsibilities, with oversight provided by the Management Board
- Science based derived carbon reduction target (to be endorsed by the Management Board)
- Appointment of a Technical Lead for Sustainability and ESG to implement our net zero transition plan
- Management Board discussions commenced to include oversight of sustainability and ESG strategy aspects

Conclusion

We have continued to develop and strengthen our Risk Framework during the last year to ensure that risk mitigation, quality control and continuous improvement is at the forefront of everything that we do. This has led to the appointment of a dedicated Risk Committee, reporting directly to the Management Board, and supported by a 'tier 2' Risk Committee of specialists covering each risk area. A major focus for this coming year will be continuing our ISQM implementation strategy and continuing our Root Cause Analysis programme on results of internal/external reviews and delivering our ambitious ESG strategy.



SUSTAINABILITY & ESG (Environmental, Social, and Governance)

Why this matters

Sustainability & ESG risk assessment, quantification and related reporting are some of the most important challenges that our generation faces - with significant risk and opportunity caused by ongoing climate change and other environmental, social and governance factors.

We therefore believe that our focus on this area (both for our Firm, and our clients) is the right thing to do.

As a Firm, we continue to grow in a responsible and environmentally sustainable way for the long term. For the benefit of our people, our clients, and the planet.

The Firm's Sustainability Promise

We fully support the UK government's ambitious plans to reduce greenhouse gas emissions to net zero carbon ("Net Zero") by 2050 by ensuring we achieve our Net Zero target by 2030, and are climate positive thereafter. To achieve these goals, we are raising awareness within the Firm via climate workshops, implementing an internal training certification, and creating climate transition plans with emissions targets covering scope 1, 2 and 3.

We also recognise the vital role of Nature and the 'S' and the 'G' in ESG. We are committed to providing our people, our clients, and our suppliers with the support necessary to enable them to contribute meaningfully to achieving our Sustainability Promise; and we are equally committed to achieving that promise within a governance framework that is class leading.

We are also working on driving the application of our talent within our use of technology and our client focused digital expertise for the wider benefit of stakeholders.

Recent appointments

In April 2022, we welcomed Jose Hopkins to the Firm as our Sustainability & ESG Technical Director, responsible for supporting the integration of climate risk and other material ESG matters into our audit procedures. Jose is also responsible for the development of the Firm's internal and external ESG strategy. Jose specialises in applying his in-depth technical understanding of sustainability, ESG, accounting and sustainability reporting standards to support the Firm, and its clients, translate and quantify Sustainability and ESG related risks and opportunities.

His appointment forms a key part of the Firm's upgraded and enhanced ESG offering, which has been in development for the past two years.

TCFD reporting and audit

TCFD stands for Task Force on Climate-related Financial Disclosures. The TCFD's focus is reporting on the impact an organisation has on the global climate. It seeks to make firms' climate-related disclosures more consistent and therefore more comparable.

We have started the process of integrating a TCFD framework, using the updated TCFD implementation guidance released in October 2021. Our work will continue throughout 2022 with the intention of providing an update of our roadmap of TCFD alignment into a separate Sustainability and ESG report to be released in November 2022.

We are developing a TCFD and Net Zero framework across our operations that incorporates Innovation, Trust, Talent & Climate and Nature – underpinned by our vision of aiming to become Net Zero by 2030.

We are integrating the following into our audit methodology and approach:

- Involving climate risk specialists to advise on climate and ESG-related issues and disclosures.
- Integrating climate change into our internal quality control checks.
- Producing industry and sector-specific climate change audit and TCFD reporting guidance.
- Introducing climate change risk assessment procedures (e.g., laws & regulations).
- Communicating and discussing climate change directly with clients.

ESG programme for clients

Recognising the commercial importance of ESG, we have developed a highly specialised ESG programme – a suite of tools that ensure your business meet its ESG goals efficiently, effectively, and commercially. Our small team are all leading experts in the field of sustainability and have supported a wide range of businesses across every industry and, via Baker Tilly International, across the globe.

D Ensuring high audit quality

Compliance with Standards

The Firm complies with International Standard on Quality Control (UK) 1 (ISQC1) issued by the Financial Reporting Council (FRC) and the Audit Regulations. There are documented policies and procedures in place to ensure it complies with these requirements. These policies and procedures are maintained by the firm's National Assurance Specialists Advisory ('NASA') team, and approved by the Audit Policy Group. Any updates are communicated to all relevant partners and staff.

Leadership responsibilities for quality within the firm

Audit quality is something the Firm takes very seriously. Our Group Chairman, Rakesh Shaunak, supported by the Management Board, has ultimate responsibility for the Firm's systems of quality control. The Firm's policies and procedures relating to audit matters are set by the Audit Policy Group. The Audit Quality Board (see below) has a key role in quality governance and supports the firm's Management Board.

Audit risks and mitigating actions

| Audit risk | Mitigating actions |
|--|---|
| Managing growth | <p>We have seen strong growth coming into our audit practice over the last few years and see plenty of opportunities going forward. We maintain tight controls through our Engagement Risk Acceptance Panel to control the types of engagements we enter into and the pace of the growth. This ensures we grow in the right sectors where we have expertise to deliver a high-quality audit service with adequate resources available.</p> <p>We focus our growth into sectors which are supported through our wider network, Baker Tilly International. This ensures international engagements can also be delivered to a high quality standard.</p> <p>Our firm's recruitment is aligned to our strategy which has allowed for successful niche appointments in certain sectors to create a team of very highly skilled sector specialists which improves our audit capabilities.</p> <p>We have also recently deployed a new resource management tool to enhance the allocation of resources around the firm to ensure the right individual is given the right work at the right time. This technology breaks down any barriers around the firm to ensure available resources, skills and suitability is considered on a firmwide basis.</p> |
| Consistency in audit quality throughout the firm | <p>Audit Quality Pillars:</p> <ol style="list-style-type: none"> 1. Implementing the Governance code ensures tone at the top drives high quality audits 2. Embedding a culture of zero tolerance when it comes to high quality audits 3. Quality of training and staff development 4. Enhancing Global Focus audit methodology, policies and procedures 5. Recruitment and retention of talent <p>The firm maintains a specialist RI licensing policy to drive audit quality by using only experienced RIs in certain sectors and industries. For large assignments we adopt a two-partner approach meaning the robustness and internal challenge of our audit evidence work is maintained.</p> <p>The firm have set-up a Contentious Issues Forum to deal with differences of opinion arising from the audit team, EQCR or Technical. This panel allows for the firm to consider the firm's response to any matters arising.</p> <p>The firm promotes its Speak Up and Whistleblowing policy ("Speak-up") to all staff to ensure that any concerns are concerned and dealt with properly.</p> |

| Audit risk | Mitigating actions |
|---------------------------------------|--|
| Pace of change in Financial Reporting | <p>We have set-up a financial reporting specialist team, led by Neil Parsons (Technical Director / Head of Financial Reporting Advisory and Company Law), which requires a mandatory technical review of financial statements of all PIE and listed clients to assist the engagement team and EQCR with areas of the financials statements that do not comply with the relevant applicable financial reporting framework and/or legal requirement(s). If such material non-compliance, were not sufficiently addressed, it will present implications on our audit report and in respect of our communications with those charged with governance. The secondary purpose of the review is to assist the engagement team and EQCR in providing other observations to help improve the overall quality of the financial statements. This may include alternative ways of presenting information, improving the technical wordings of disclosures, referring to examples of best practice, or authoritative guidance.</p> <p>In addition, we support audit teams with other specialists such as ESG or Tax to ensure highly skilled individuals check their specialist areas of financial reporting.</p> |
| Acting in the public interest | <p>Our purpose is to enhance the confidence of the intended users of the financial statements, whilst our audits enhance the understanding of the financial position and performance of the audited entity.</p> <p>As mentioned in Andrew Moyser’s Leadership Statement, the firm is planning to implement the Audit Firm Governance Code and will further enhance its accountability for acting in the public interest. In addition, as we are implementing the changes required under ISQM1 we believe the new standard will further enhance improvements in audit quality and consistency. We have also introduced a professional judgement framework intending to deepen and increase the consistency of the professional judgements made by our people.</p> |

The Audit Quality Board

The members of the Audit Quality Board, are as follows:

- **Rakesh Shaunak**, Managing Partner and Chairman of the Board
- **Andrew Moyser**, Head of Audit, Vice Chairman of the Board, and member of the Audit Policy Group
- **Toby Stephenson**, Audit Partner, and member of the Audit Policy Group
- **Helen Tejwani**, Technical Director (Audit Methodology and Quality Improvements) and member of the Audit Policy Group.
- **Dianne Azoor-Hughes**, Independent Member

Dianne Azoor Hughes has more than 35 years business experience. Currently, she is an independent director and a consultant for governance, risk, and audit in Melbourne, Australia. Her expertise includes corporate governance and risk, financial management, financial reporting, audit, ethics and development of policies and procedures. Previously, Dianne was the Technical Standards Partner for Pitcher Partners (a member firm of BTI), with responsibility for audit quality, audit training and independence for the Australian network for more than 13 years.

She was a member of the Australian Auditing & Assurance Standards Board for a maximum 3 terms (8 years); a member of the APESB task force for independence for 10 years and has been a member of IAASB project task forces. She is also the author of AICD publications to assist directors in understanding their corporate financial responsibilities.

The Audit Quality Board’s role and responsibilities include to:

- Approve the annual Quality Improvement Program
- Monitor the execution of the annual program
- Review the annual Quality Improvement Report
- Advise NASA on matters relating to the system of quality management
- Review and advise on action plans
- Make recommendations to the Board, as appropriate

The Audit Quality Board met for the first time in April 2021 and approved the annual quality improvement program. The Board will have a key role over the next 18 months as we develop and implement a new system of quality management in response to the revisions in international quality standards.

The Audit Policy Group

The firm has an Audit Policy Group (“APG”) which meets periodically as required and at least formally 4 times a year. APG consists of the firms Head of Audit, Technical Director (Audit Methodology and Quality Improvements), Ethics Partner, Risk Partner and three other experienced audit partners from across the firm, with specialisms across several sectors or client types. The APG is also supported by members of the NASA team.

The overarching responsibility of APG is to ensure audit quality remains at the top of the Firm’s agenda at all times and oversees the ongoing development of the audit culture and processes within the firm to continue to ensure robust audit quality, and specifically to:

- develop and deliver the Firm’s national audit strategy
- monitor commercial and regulatory activity in the audit market and assess the effects on the Firm’s policies
- set the firms audit policies and procedures to maintain quality and ethics
- provide oversight of quality, and govern audit partner /RI licensing, safeguards, and rotation
- evaluate and agree on proposed RI appointments within the firm
- oversee risk management including procedures adopted dealing with client acceptance, conflicts, and independence
- oversee and develop the firm’s systems over quality assurance and control over compliance and regulation
- drive and monitor internal and external quality review processes, conduct root cause analysis on poor performance identified through the process and develop and progress action plans arising from reviews to further enhance quality and addressing areas identified for improvement
- recommend RI sanctions and safeguards in cases of underperformance
- oversee and develop the firm’s technical training requirements and interaction with audit related staff arising from matters identified above for enhanced audit quality.



Members of the Audit Policy Group as of 31 March 2022



Andrew Moyser
London

The Firm's Head of Audit and Vice Chairman of the Management Board and an experienced audit partner dealing with larger corporates and listed entities.



Bianca Silva
Thames Valley

Experienced audit partner with over 25 years RI experience specialising in the not-for-profit and education sectors.



David King
London

Specialist audit partner experienced in audits within the financial services sector.



Toby Stephenson
Birmingham

Experienced audit partner with over 20 years RI experience predominantly dealing with international groups and UK subsidiaries of international parents as well as acting as RI and EQCR partner on several of the firm's listed and other higher risk clients.



Martin Herron
Milton Keynes

The firm's Risk/PI Partner and experienced audit partner with over 20 years RI experience principally dealing with larger owner managed businesses. Previously the firm's Audit Compliance Partner and Ethics Partner.



Massimo Laudato
London

Technical Director particularly involved in providing support to the audit of international groups, advising on group reorganisations, developing uniform firm-wide practices in the application of UK GAAP and in providing IFRS training.



Helen Tejwani
London

Technical Director (Audit Methodology and Quality Improvement) with over 20 years experience in audit technical supporting the audit practice with audit methodology, assessing new audit tools, and ensuring quality is maintained.



Simon Knibbs
Milton Keynes

The Firm's Ethics Partner and an experienced audit partner dealing with larger corporates and listed entities.



Technical Support – National Assurance Specialists Advisory

The National Assurance Specialists Advisory (NASA) team reports directly to the Audit Policy Group (APG), assisting in the delivery of the APG's objectives.

The NASA (National Assurance Specialist Advisory) team has been strengthened further this year with the addition of a further two, qualified and experienced staff. We have a highly skilled team of assurance specialists covering a wide range of auditing, financial reporting and training skills, who work in a more collaborative, proactive advisory role with the audit teams. This shift in emphasis to more proactive support has seen audit teams engage with our technical specialists in a different way, addressing key issues earlier in the process and enhancing the quality of our work.

On our Public Interest Entity clients, and certain other large complex audits, we have adopted what we call the "NASA Model" whereby a member of the NASA team works very closely with the auditors as a member of the engagement team, providing technical support on the most complex, high risk areas. This helps to drive audit quality by enhancing the technical skills in the team and enabling the team to focus their work in the right areas. The emphasis on proactive support, in addition to responding to technical queries from audit teams, has seen an increase in guidance issued addressing key themes arising from queries and quality reviews.

We have continued our weekly training session for all audit partners and staff entitled "It's not rocket science" which is used to promulgate key messages, topical issues and technical issues including financial reporting and audit matters. This is supported by a fortnightly publication (New Horizons) which highlights topical technical issues which teams need to be aware of.

We continue to provide half yearly technical training updates covering a wide range of topics (changes to auditing standards, AML, Ethics, financial reporting updates, climate risk, updates on the firm's audit methodology), in addition to specialist sector training such as Banking, Academies, Not for Profit.

Audit approach / methodology

We have invested heavily in recent years developing "Global Focus", the Baker Tilly International global audit methodology. The methodology has been developed collaboratively by an international Board comprised of senior representatives from member firms, including ourselves, from each region.

Global Focus is a risk-based audit approach, which is fully compliant with the International Standards on Auditing (ISAs), aligning its terminology with that used in the ISAs to aid understanding and clarity.

There is an audit manual which details the audit methodology, how it is applied and how it is reflected in our Global Focus audit software. The Audit Manual is supported by additional guidance in key areas.

Application of our Global Focus methodology enhances our service provision to clients around the world, with a consistent level of service being provided regardless of location.

Training on the new methodology is provided by members of the Technical Department. New joiners in the Audit Department have access to a suite of recorded presentations to help them adopt the methodology effectively and efficiently. Our audit update training includes the audit methodology at its core.

We are increasingly exploring the integration of advanced techniques such as data analytics, artificial intelligence, and machine learning into our audits through our local and global partnerships with software vendors.

We have partnered with Inflo, whose ground-breaking workflow, data ingestion, data analytics and AI software revolutionises the efficiency, quality, and value to clients of audit work.

Quality Improvement Program

We have implemented a comprehensive Quality Improvement Programme (QIP) to drive continuous quality improvement. The annual quality improvement program, summarised in the diagram below, comprises six key elements:

An annual quality report will be provided to the firm's Board and to all Engagement Partners and staff, highlighting the key findings and actions required to improve audit quality.

The Annual Quality Improvement Plan will set out the planned quality review, technical support and related activities for the year.



A firmwide action plan will be developed to address the findings. The plan will consist of appropriate actions that can be taken centrally, as well as by individual engagement teams and RIs, to improve quality.

As part of the Quality Improvement Program, a firmwide action plan will be developed with enhanced, proactive technical support to help teams "get things right first time".

Following completion of the annual Quality Review Program, the findings will be analysed to identify any themes and identify Further actions.

The Quality Review Program will consist of a range of reviews of completed engagements and hot reviews of live engagements, and will be supplemented by Root Cause Analysis.

Quality Monitoring

We have enhanced our quality monitoring program to include a wider range of monitoring and review activities which comprise traditional reviews of completed audit engagements supported by the introduction of thematic reviews covering key themes and an enhanced, more robust program of Root Cause Analysis. We also take account of the findings of our external regulators.

Components of the 2022 Quality Review Program

Hot review of live engagements

Taking advantage of cloud technology access to live engagements, random hot reviews of ongoing engagements to assess how prior findings have been addressed.

Quality Review of completed assurance engagements

A program of quality reviews of completed non-audit assurance engagements is being developed.

Root Cause Analysis

A more robust process of independent Root Cause Analysis will be implemented for engagements graded Red or Orange.



Quality Review of completed audit engagements

A program of quality reviews of completed audit engagements.

Thematic Reviews

Focused reviews on key themes from previous quality reviews. Thematic reviews completed during 2021:

- Audit Sampling
- Materiality benchmarks
- Internal Control

Thematic reviews for 2022 will be planned based on the findings of the 2022 cold file reviews that are being finalised.

Regulator Reviews

In 2021 we are subject to review by:

- FRC Audit Quality Review
- ICAEW Quality Assurance Department
- ICAEW Practice Assurance Review

The findings of these reviews will inform our annual action plan.

We will also consider the wider findings of regulators, including thematic reviews, and whether there are themes we need to address.

Quality review of completed audit engagements

We have an annual program of reviews of completed audit engagements which are carried out by team comprising members of NASA, the Audit Policy Group and prospective and new RIs. Our policy is to review each RI at least once every three years, although the Firm's procedure is typically to review each RI every two years.

A moderation panel comprising our three members of the Audit Policy Group, ensures consistency of outcomes.

| Equivalent QAD grade | Internal grade | Description | 2021 (No/ %) | 2020 (No/ %) |
|----------------------|----------------|-----------------------------------|--------------|--------------|
| 1 | Green | Good | 2 (10) | 3 (15) |
| 2 | Yellow | Limited improvements required | 9 (42) | 9 (42) |
| 3 | Orange | Improvements required | 5 (24) | 8 (38) |
| 4 | Red | Significant improvements required | 5 (24) | 1 (5) |
| Total | | | 21 | 21 |

The results of the last two years' quality reviews are shown in the table above. The 2021 results are disappointing as these show a slight decline from 2020, although it is balanced by the QAD results shown below which show improvement and support some progress being made in overall terms. We are in the process of finalising our 2022 file reviews.

The firm's policy is that files graded Orange will be subject to Root Cause Analysis with follow up review the next year. Files graded red will be subject to Root Cause Analysis, remediation of the audit where appropriate, a follow up review of the same file in the following year and additional follow up action to be decided on a case-by-case basis, including assessing the training needs of partners and staff involved in such assignments, additional file reviews being carried out to assess whether the problems identified are systemic and, ultimately, consideration of restrictions being placed on the RI's license.

External monitoring

Inspection by the Financial Reporting Council's Audit Quality Review team (AQR)

In 2021, we underwent our first FRC Audit Quality Review inspection following our entry into the in-scope listed entity market. We found this to be an incredibly useful exercise and look forward to our ongoing dialogue with the regulator as we look to continually improve. The outcome of this inspection is shown in the table below:

| Grade | Description | 2021 (Number / %) |
|--------------|----------------------------------|-------------------|
| 1 | Satisfactory | 0 (0) |
| 2 | Generally acceptable | 1 (34) |
| 3 | Improvement required | 1 (33) |
| 4 | Significant improvement required | 1 (33) |
| Total | | 3 |

Actions have been taken in respect of key matters arising from the review impacting the grades, including strengthening audit documentation through the introduction of compulsory checklists, additional controls at client take-on for identification of PIE audits to ensure quality control protocols are adhered to and, in the case of the lowest grade file, a change in RI.

Inspections by the ICAEW's Quality Assurance Department (QAD)

The results of the two prior inspections are summarised in the table below:

| Grade | Description | 2021 (Number / %) | 2020 (Number / %) |
|--------------|----------------------------------|-------------------|-------------------|
| 1 | Satisfactory | 1 (12) | 3 (34) |
| 2 | Generally acceptable | 6 (75) | 2 (22) |
| 3 | Improvement required | 1 (13) | 1 (11) |
| 4 | Significant improvement required | 0 (0) | 3 (33) |
| Total | | 8 | 9 |

We were encouraged by the results of the 2021 inspection and, in particular, having no files categorised as needing significant improvement. It also gives us some additional comfort that the depth of review carried out as part of our internal cold file review is sufficiently robust.

Regulator reviews

The findings of any regulator reviews, inform our annual action plan. Regulator plans have not been confirmed for 2022. We will also consider the wider findings of regulators, including FRC thematic reviews, and whether there are themes we need to address.

- The roll-out of the first phase of Root Cause Analysis (RCA).
- Further investment in digital transformation and innovation
- Developing a more streamlined process for our coaching.
- Achieving further milestones in our ISQM1 implementation plan.
- Increasing the number of training sessions in addition to annual audit masterclasses.

Audit quality plan and strategy

Our Audit Quality Plan (AQP) is a strategic plan that ensures that we not only deliver consistently high-quality audits but incorporate our learnings and key takeaways that have emerged from our quality reviews. The AQP is at the heart of our strategy for delivering high-quality audits. The main focus of the AQP 2022/2023 is on key drivers of audit quality which include recruiting the right team and resources, integrity, scepticism and technical expertise. The Audit Quality Board is responsible for the plan's approval and assists in identifying the key drivers to be included and ensuring that it is implemented.

Our objective is to develop a culture of challenge, scepticism and tone at the top that contributes further to our audit quality initiative. Some of the key initiatives undertaken this year to improve quality are:

Our quality priorities are driven by a number of factors, such as findings from internal quality monitoring reviews, external regulatory reviews, RCA findings and a hot file review coaching review process. Some of our key priorities for next year include:

- We are improving the robustness of the quality control systems in response to growth and recent regulatory review findings.
- Introduce the 'Zero Tolerance' audit quality initiative
- Introduce the professional Judgement framework for our practice to improve 'the challenge of management'
- Refining and using RCA outcomes as a key tool supporting the enhancement of our audit work quality.
- Effective implementation of ISQM1
- More streamlined process for EQR to monitor risks and enhance the quality of some of our most complex audits.
- Develop Audit Quality Indicators (AQIs) and the way in which these are monitored to enable us to have more real-time information in relation to audit quality
- Enhance the audit methodology to better support quality

Conclusion on audit quality monitoring

Our QAD inspection results were good last year but the other results for 2021 were disappointing, with the percentage of internal file reviews that are “Good or acceptable” falling from 57% to 52% and the FRC Audit Quality Review (AQR) inspection showing a percentage figure of 34% (albeit from a small sample size of only three files). Although our AQR inspection results were not as good as we would want, this is our first such inspection and a good learning experience for us. We are confident that our Audit Quality Plan (see above) will improve our AQR inspection results in 2022.

We also recognise that maintaining consistent audit quality is a problem that other (non-Big Four) Tier 1 and Tier 2 firms are also facing. For example, in the FRC’s latest AQR results for Tier 1 firms, two of those firms had a percentage of “significant improvements required” of 50% (4 out of 8) and 42% (5 out of 12).

The FRC concluded that they “...will continue to ensure the challenger firms are prioritising high quality audit with a view to offering increased choice and resilience in the market, but growth ambitions must also be tempered by a focus on quality first and foremost.”

Based on the above, coupled with the actions taken following the reviews, the Management Board is satisfied that the Firm’s audit quality control system is operating effectively in ensuring that continual audit quality improvement maintains a key focus.

External investigations and findings

Related to audit work

| | Year ended 31 March 2022 | Details |
|---|--------------------------|---|
| Number of cases in which the FRCs Conduct Committee has found against the Firm or one of its members | 0 | <p>There is an ongoing matter which has been announced by the FRC relating to the audit work of the Firm which is yet to be concluded and is therefore excluded from the total in the previous column:</p> <p>It relates to an ongoing investigation in relation to MRG Finance UK Plc concerning the Firm’s audit work on MRG Finance’s 2018 and 2019 financial statements.</p> |
| Number of cases in which the disciplinary committee of any other regulatory body has found against the Firm or one of its members | 2 | <p>January 2022 Reprimanded by ICAEW Fine and costs of £10,758 Matter – failure to ensure that consolidated financial statements were prepared for a company.</p> <p>May 2021 Reprimanded by ICAEW Fine and costs of £17,080 Matter – failure to comply with International Standards on Auditing (UK & Ireland) and International Standard on Auditing 500.</p> |

Related to other matters

| | Year ended 31 March 2022 | Details |
|---|--------------------------|--|
| Number of cases in which the FRCs Conduct Committee has found against the Firm or one of its members | 0 | |
| Number of cases in which the disciplinary committee of any other regulatory body has found against the Firm or one of its members | 1 | June 2021 ICAEW Regulatory penalty of £1,573 Matter – failure to inform the ICAEW of a new partner appointment within 10 business days. |

Full details of the ICAEW cases can be found on their website.

Engagement Quality Review (EQR)

We are in the process of updating the Engagement Quality Review (EQR) policy to reflect changes per ISQM2. Our current EQCR policy sets out how the Firm complies with ISQC1.

In accordance with ISQC1, we appoint an Engagement Quality Control Reviewer (EQCR) for all listed and PIE engagements. We also appoint an EQCR in a range of other circumstances, such as entities which plan to list shares or debt, entities which are significant subsidiary of a listed parent, entities where there are other public interest or reputational risks and any situations where an EQCR is requested by the RI or the Technical Partner/Head of Audit consider it necessary to appoint an EQCR. Previously all EQCR appointments have been made from members of the Audit Policy Group. However, we are in the process of identifying and training a larger pool of RIs who can act as EQCR in the future.

Audit and Assurance Policies aimed at improving quality

We have published an Audit and Assurance Policy Manual, setting out policies which are intended to drive continuous improvement in audit quality. These include:

Large Complex Audit Group (LCAG)

We have established a separate team of partners and staff who work on our larger, more complex audit engagements. The purpose of the LCAG is to ensure delivery of high quality audit services, enhance our reputation and market penetration by utilising dedicated specialist resources to manage the risks associated with PIE and large complex audits.





Specialist RI Licensing

We have a specialist RI licensing policy to drive audit quality by using only experienced RIs in certain sectors and industries. Only RIs who are appropriately licensed are permitted to undertake audit and assurance engagements in the following sectors:

- Listed Entities (equity or debt)
 - Including AIM listed entities with market capitalisation over £200m
- Financial institutions:
 - Banks
 - FCA regulated financial services entities
- Insurance undertakings
- Other Entities of Public Interest (as defined by the FRC – see Appendix 2)
- AIM listed entities (market capitalisation under £200m)
- Large Corporate Entities with turnover in excess of £500m
- Not for Profit
 - Charities
 - Academies
 - Further Education Colleges
 - Higher Education Institutions
- Entities producing financial statements in accordance with IFRS / FRS101
- Pension Schemes

Engagement Risk Assessment Panel (ERAP)

The engagement risk assessment panel meets to discuss new audit or assurance engagements which meet certain criteria prior to acceptance of the client, in order to ensure that any risks associated with those engagements are appropriately managed.

The scope of the panel includes:

- All audits within the scope of the FRC Audit Quality Review
- Proposed fees over £500k or which represent 10% of the firms/offices revenues or 5% of a partner's portfolio
- National or international NFP organisations
- National government bodies
- Transnational audits

- Assignments where the firm will be group auditor and more than 50% of components are audited by other firms
- Audits of significant components of a listed parent
- Potential audited entities with a high public profile or reputational risk

The ERAP outcome may include rejection of the proposed engagement, appointment of an EQCR or the adoption of the NASA model depending on the circumstances.

Audits with a short timetable

All audits where there is either short reporting deadline after the period end or where the firm is appointed late in the audit cycle, the audit team must set out their planned response to address any associated risk. This planned response is subject to review and approval by either the Technical Partner or Head of Audit.

Contentious Issues Forum (CIF)

The Contentious Issues Forum is a key part of the firm's audit quality and risk management control procedures. It consists of members of APG and NASA meeting when there is a disagreement between members of the audit team and/or the client on a significant judgment or financial reporting matter potentially impacting the audit opinion. The CIF therefore provides authoritative guidance to the RI.

Attainment and retention of RI Status

This policy applies to everyone who is applying for, or has been granted, RI status and set out the process for application, the support provided by the firm, quality monitoring, CPD requirements and steps to be taken when retiring as an RI.

Approval of non-standard (modified) audit reports

This policy requires all non-standard audit reports issued by the firm to be approved by NASA prior to the report being signed and issued. This includes reports which are qualified, adverse, disclaimed, contain an emphasis of matter paragraph, a material uncertainty relating to going concern and an other matter paragraph.



E Ethics and independence

Ethical principles and the Firm's procedures

The five fundamental principles of the ICAEW Code of Ethics remain central to the Firm's ethics policies and procedures and are highlighted in all training:



The Firm's Ethics Policy

The Firm's Ethics Policy applies to all partners and employees of the firm and also to secondees and contractors involved in the firm's statutory audit work. Compliance with the relevant ethical standards overrides all commercial interests and all staff are aware of this through their training.

Any breach of the Firm's Ethics Policy would be fully investigated and treated as misconduct.

The Ethics Manual

Our Ethics procedures, detailed in the Firm's Ethics Manual, not only address the requirements of the Ethical Standard but go beyond these in a number of areas. The procedures ensure compliance with the Financial Reporting Council's (FRC) Revised Ethical Standard 2019 (the 'Ethical Standard') and the ICAEW Code of Ethics.

As a member of Baker Tilly International, the firm also adheres to the ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the IESBA Code).

Ethics training

The firm's systems to safeguard staff independence and objectivity include the procedures when staff are recruited, the regular ethics training and the Annual Compliance Declarations.

The ICAEW ethical requirements and the firm's ethics procedures are addressed for all new employees and contractors through the firm's on-line Induction course, which is mandatory for all new joiners. The ethics training emphasises the firm's commitment to the highest ethical standards. It covers the Ethical Standard, Anti-Money Laundering, the Bribery Act, Whistle Blowing procedures, client acceptance procedures and the firm's gifts and hospitality policies. Ethical issues are addressed at the mandatory Technical Update training for all professional staff.

Students cover a session on ethics at each of their internal courses, including practical, worked scenarios based on ICAEW guidance. Non-audit staff receive ethics training alongside Anti-Money Laundering training at least once each year, with an assessment at the end of the training session. A score of over 70% must be achieved, with questions drawn from a bank of relevant topics. The firm's training platform issues prompts and follow ups to ensure that every member of staff completes the relevant ethics training.

The Firm's Ethics Function

The previous Ethics Partner stood down from that role shortly before he left the firm in April 2022. The Deputy Ethics Partner (Neil Stern) took over temporarily until June 2022 when Simon Knibbs was appointed. Simon chairs the Firm's Ethics Committee and provides advice on all ethical issues to the partners and staff and reports to the Management Board.

The Ethics Partner is responsible for ensuring the adequacy of the firm's policies and procedures relating to integrity, objectivity and independence, compliance with the Ethical Standard and the effectiveness of their communication to partners and staff of the firm.

The Firm's Ethics Function supports the Ethics Partner in fulfilling these responsibilities, and consists of:

- The Ethics Partner – Simon Knibbs
- The Deputy Ethics Partner – Neil Stern
- Regional Ethics Panel members (REPs)
 - Kate Arnott
 - Helen Blundell
 - Duncan Cochrane-Dyett
 - Martin Herron
- Technical Department managers with a role in ethics.

The Ethics Committee meets regularly to discuss issues arising, compliance review findings and changes to the Firm's procedures in response to FRC and ICAEW guidance.

The guidance in the Ethics Manual directs uniformity in the decision-making process of the members of the Regional Ethics Committee (REPs). This is strengthened through the REPs' discussions and through the ongoing 'second REP review' of approval of significant safeguards. Examples of significant REP's decisions are highlighted at each REP meeting.

Minutes of Ethics meetings are made available to the Firm's Management Board and the REPs report any relevant matters at Board meetings. One of the REPs is a member of the Board and ethics is a fixed agenda item for the Board meetings. The Ethics partners of other MHA firms are invited to attend the meetings and Minutes are made available.

Client acceptance procedures

The Firm's procedures for the acceptance and onboarding of new clients cover not only AML requirements but also ethical considerations and address any potential conflicts of interest.

Acceptance of each new client or assignment is subject to a detailed review by two partners, with further reference to REPs and to the Baker Tilly International (BTI) Independence Database as appropriate.

The correct implementation of these procedures is reviewed by the Technical Department as a part of the cyclical inspections completed on audit files and on certain non-audit assignments.

Larger clients are subject to the firm's Engagement Risk Assessment Panel at the onboarding stage, which assesses these engagements prior to client acceptance. This is with a view to managing the risks with relevant safeguards or declining the assignments where there are no appropriate safeguards. Further details are given in C10 above.

Financial, business, employment, and personal relationships

The Firm has policies in place to ensure that no partners or members of staff hold any financial interests in any audit clients, or significant affiliates of these clients. Staff are informed promptly of new clients on the firm's 'Restricted Entities List' of listed audit entities and listed entity groups. Any financial interests held by staff are monitored until their disposal.

Partners and members of staff may not enter into any business relationships with clients of the Firm other than the purchases of insignificant goods and services on terms available to all members of the public and with partner approval. Employment relationships with audit clients are prohibited. Personal relationships with audit clients which may present an actual or perceived threat to independence must be discussed with the REPs.

Annual Compliance Declaration

The Firm requires all partners, staff and consultants to sign an Annual Compliance Declaration (ACD) covering their independence, Fit and Proper status and confidentiality commitments on joining the firm, and reviewed annually. Any issues arising in the intervening period are discussed with the relevant partner and reported to the Ethics function where relevant.

Financial, business, employment and personal relationships are addressed in the Annual Compliance Declarations (ACDs). These ACDs are automated to ensure 100% compliance, collated, checked, and reviewed by the Compliance team, with contentious issues addressed by the firm's in-house lawyer. The prohibition for partners of ongoing relationships with clients, including charity clients, is addressed through the partnership agreement.

Long association with engagements

The firm's policies and procedures for Public Interest Entities (PIEs) and other listed entity audits set out requirements for the rotation of the Responsible Individual (RI), the Engagement Quality Control Reviewer (EQCR) and other key partners and senior staff. Rotation of RIs on PIEs and larger clients is discussed by the Ethics Committee and rotation is in line with the Ethical Standard.

The firm has extended the PIE requirements to certain larger clients which may in due course become a PIE.

For non-PIE clients, the Firm maintains a database of audit assignments which includes the number of years which the RI and audit manager have been involved with each engagement. Where the RI and senior staff have a long association or extensive involvement with an audit client, which would indicate a perceived familiarity threat, the REP will generally recommend the rotation of the RI at the next appropriate opportunity. This is usually within a ten-year period, but in very limited circumstances, where it is considered that there may be no such rotation after ten years, the REPs may extend this. However, this is only having assessed the threats to integrity, objectivity and independence. The firm has implemented a policy that there should be no extension beyond 15 years. The intention is to reduce this to 10 years by 2027.

In respect of long association, appropriate safeguards, such as those set out in the Ethical Standard, are implemented to reduce the threats to a level where independence would not be compromised. The safeguard for long association is generally a second partner review, but there may be a further requirement for additional safeguards.

Fees, the Bribery Act and gifts and hospitality

At the planning stage of each audit, the proposed fees and fees over the previous period for all audit and related non-audit assignments are considered by an REP. The REP addresses both the level of the fees and the perception of 'an objective, reasonable and informed third party'. Non-audit assignments for audit clients are not permitted on a contingent fee basis.

The requirements of the Bribery Act are addressed through the Firm's training and procedures, ensuring that all staff are aware of the Bribery Act's requirements relating to the making, taking and facilitating of bribes.

The Firm's gifts and hospitality policies cover all situations where expenses, gifts and hospitality may give rise to the perception that independence may be an issue. The policies cover hospitality offered to clients and hospitality received, including charity sponsorship and events. The firm does not support the charity events of audit clients.

Provision of hospitality and all gifts should be recorded in the Gifts and Hospitality Register by the staff and partners offering or receiving these, including those gifts deemed 'clearly inconsequential'.

Gifts and hospitality matters are also discussed with the FEP where appropriate. Where the receipt of hospitality or gifts may be considered to be outside of the Firm's criteria for acceptance, the FEP provides the appropriate guidance, and gifts and hospitality may be declined.

The firm's restrictions on gifts and hospitality have been amended in the year and the change has been communicated to all partners and staff.

Non-audit / additional services

Non-audit services are not provided to PIE clients, other than where expressly permitted by the FRC Ethical Standard. Non-audit services are only provided to other audit clients only after the REP's approval of the appropriate ethical safeguards.

Where there is any perception by the REP that the provision of such non-audit services could present an ethical threat, even with relevant safeguards, there is further consultation with a second REP before approval. Such consultations are discussed further at Ethics meetings in order to establish standard approaches.

The provision of non-audit services is an agenda item at all Ethics Committee meetings, with each REP presenting examples arising in the period where there are issues of interest. A selection of these examples features at the six-monthly Technical Updates, providing a basis for useful discussion material and illustrations of relevant safeguards to risks to independence, and examples of non-audit services which should be declined.

The Management Board confirms that a review of the firm's independence practices, and procedures has been carried out, based on their review of the Ethics Meeting Minutes and their regular updates with the FEP.

Breaches of the Ethical Standard

The Ethics Partner maintains a register of breaches of the FRC Ethical Standard, and these are discussed at each ethics meeting. Any breaches identified are reported to the FRC on a six-monthly basis.

Most breaches reported in the year arose because of cold review findings. Training has been provided to all staff on the issues giving rise to breaches of the Ethical Standard to raise awareness of where things can go wrong with a view to preventing similar issues being repeated. Procedures have been strengthened where required.



F Our people

Impact of COVID-19 on the Firm

The year 2021 was both a challenging and rewarding one for the firm. We continued to recognise that increased flexibility was required to support our people's work/life balance needs whilst enabling us to continue to engage with our people and clients and, very importantly, continue to deliver a high level of service to our clients.

We continued to work diligently ensuring our people were equipped with the right tools to carry out their responsibilities and ensured that we continued to deliver a high-quality service for our clients. The flexibility of our IT infrastructure ensured our people were able to work remotely and we were able to adapt our working practices to facilitate each of our client's individual needs.

We continued to undertake a number of actions to ensure that our audit quality was maintained. These included:

- Implementing and embedding the MHA Hub for all our training requirements and needs that were met utilising live webinars and online training programs, tailored to our people's needs and development areas.
- Thorough reviews of our processes and procedures to streamline efficiencies and provide a consistent service to our clients.

Throughout the pandemic we have continued to focus on the physical and mental wellbeing of our people through a number of mechanisms:

- regular engagement from people managers as well as from leadership of the firm
- our employee assistance programme is readily available to all of our people and their family members

- encouraging the organisation of virtual events, for example virtual coffee breaks, to help people keep connected.
- the reintroduction of physical events to encourage our staff to engage with the firm and to introduce our recent new joiners to the rest of the firm

We have embedded a Wellbeing Committee which organises monthly online events with key speakers in attendance and twenty of our people completed training to become Mental Health First Aiders

General compliance with international quality standards

Paragraph 29 of ISQC1 requires firms to establish policies and procedures designed to provide them with reasonable assurance that they have enough personnel with the capabilities, competence, and commitment to ethical principles necessary to:

- Perform engagements in accordance with professional standards and applicable legal and regulatory requirements; and
- Enable the firm or engagement partner to issue reports that are appropriate in the circumstances.

We continue to achieve this, as outlined in the sections below, through effective and appropriate:

- training of partners, staff, contractors, and consultants
- supervision of staff, sub-contractors, and consultants
- evaluation of everyone's capabilities and potential
- relevant work experience
- monitoring of the firm's human resources and workflow
- recruitment procedures

Talent acquisition

Talent acquisition remains a priority for MHA MacIntyre Hudson. As a growing firm, in an ever changing economic and social context, attracting, and retaining sector specialists and employees, who share our ambition, attitude and vision, is critical to our ongoing success as a challenger firm. We are continually reviewing the inputs required from an advisory, data, analytical and transactional perspective to ensure we are ahead of the curve and are not simply reacting to shifts in regulations and markets. Workforce planning now, for tomorrow.

Our strengths and values-based recruitment model, supports our ongoing commitment to consistency, quality, inclusivity, and diversity in our workforce.

This works in tandem with mandatory recruitment and selection training for all leaders and hiring managers, which includes sections on conscious and unconscious bias and best practice selection methods.

MHA MacIntyre Hudson is a member of the Good Recruitment Collective. Created by employers, for employers, the Good Recruitment Collective brings organisations together under one best practice initiative and helps us benchmark our recruitment. As a signatory of the Good Recruitment Collective, we benefit from a broad network of businesses, workshops, and round tables and have access to benchmarking tools, peer reviews and research.

We challenge our methods regularly, reviewing how and where we source and advertise, how we assess applicants and who performs the interviews. We ensure an attitude of continuous improvement, ensuring inclusive processes to attract and retain a diverse workforce.

Graduate and non-graduate trainee recruitment

As a training firm, recruiting talented graduates and non-graduates remains a key focus for our talent acquisition function. A signatory of the equal opportunities charity, Access Accountancy, we are dedicated to improving socio-economic diversity in the accountancy profession. We review our entry criteria, interview and assessment centre processes, and selection methods regularly to ensure we remove barriers for candidates and support people from all areas of our communities to access the sector; we strive for inclusivity from these early stages, whether the individual be a graduate, school leaver, or looking to retrain.

Diversity

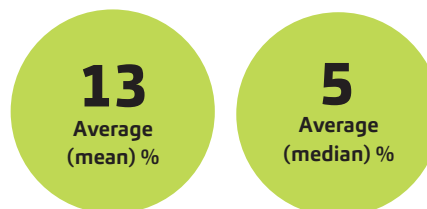
We are fully committed as a Firm to have a diverse and inclusive workforce. We have made huge strides in this area; however, we want to ensure we are continuously developing and listening to our staff and experts in the field. To ensure this, we are working in partnership with Business in the community (BITC)

BITC is the largest and longest established business led membership organisation dedicated to responsible business: founded by HRH The Prince of Wales 40 years ago. Together our focus is on key areas such as:

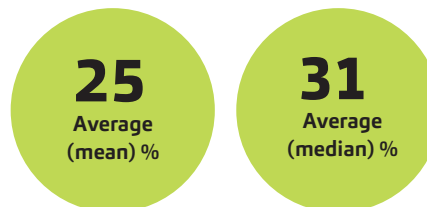
- 1 Developing a skilled and inclusive workforce
- 2 Ensuring work is good for everyone
- 3 Innovating to sustain and regenerate the planet
- 4 Building thriving communities

Through our partnership we are committed to regularly reviewing all our policies, procedures, working groups and committees, training and our overall strategy to ensure we continually review and focus on those key areas.

Gender pay gap



Gender bonus gap



Our full Gender Pay Gap report for 2021 is available on our [website](#)

Corporate social responsibility

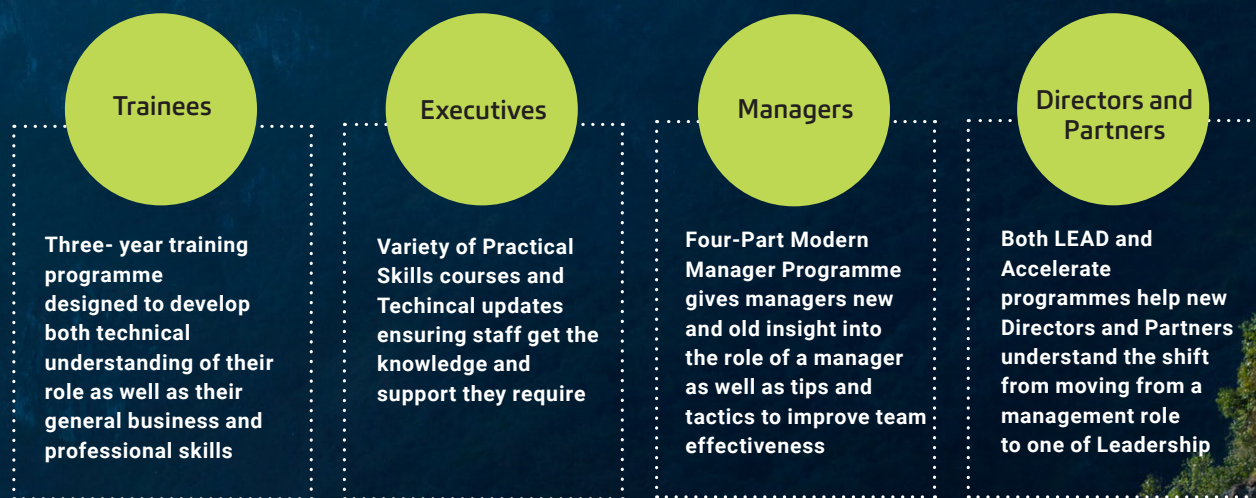
We are committed to ensuring we have a positive impact on the world around us, from supporting local communities through volunteer projects for which we allow our staff paid time off, to protecting the world around us through our environmental policies. Our new office building in London has won awards for its sustainability.

Appraisals, professional development and training

We are committed to ensuring that our staff are developed, managed, motivated and rewarded in a constructive and consistent way. We have six-monthly formal appraisals where staff discuss their work performance and career aspirations with their line manager in detail.

We understand that our end-product is only as good as our people – as such the continual learning and development of our staff is a priority for us. We are one of the few firms our size with a dedicated in-house Training Department. We have won several awards for our training and in September of 2019 our training was awarded the prestigious British Accountancy Award for Training Programme of the Year.

Training at every level



Trainees

As we are an accredited training firm, the core development points for both the ICAEW and AAT act as a baseline for our trainee programme.

Executives and Qualified Staff

Qualified and non-trainee staff have access to a wide range of technical and professional skills courses that they take to meet their development needs as they, or their managers, see fit. These courses generally fall into two categories:

- **Technical Updates** – mandatory courses for all client-facing staff. These are held every six months and contain all the relevant tax, accounting and audit information that they need to know to do their job.
- **Professional Skills Courses** – elective courses to further refine soft-skill abilities (e.g. coaching, mentoring, presentation skills). Managers often review their team's need for these courses at appraisal times, and they run regularly throughout the year.

Executives are further supported with our 'Elevate' Graduate Academy. Which consists of four 6-monthly professional skills courses paired with executive presentations on the aspects of the topic that they find particularly interesting or relevant. Thus, offering our executives both more formalised pathway to develop the skills that will help them succeed in their current role, while also allowing them to personally hone and shape those skills in that meets their individual needs and interests.

Managers

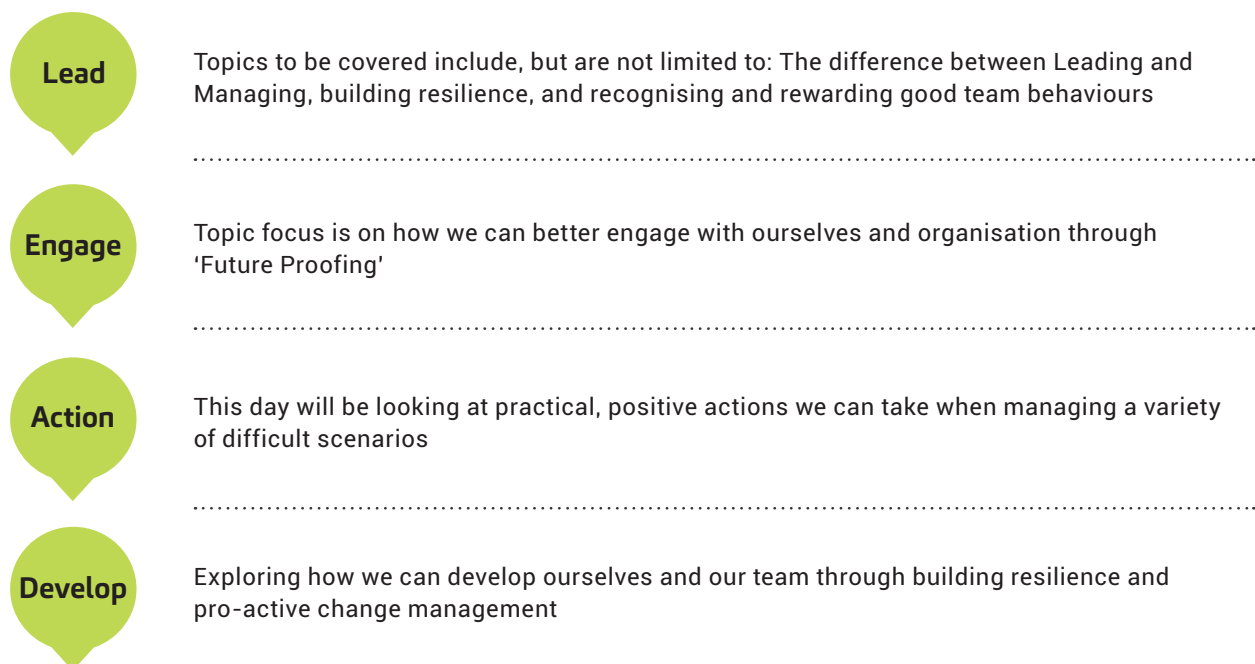
Managers are placed on the Modern Manager Programme, shown below:



Directors and Partners

At these levels, a person's core role in the Firm experiences a fundamental change from one of management to one of leadership. As such we offer those on this path support through our LEAD and Accelerate programmes.

LEAD is a five-month, four-module, programme that is designed to both recognise and engage our more experienced managers and new directors by introducing them to the leadership mindset. Incorporating a heavier element of pre-course reading and intra-group discussion and facilitation than previous courses, this programme is unique in how peer-support discussion is used to shape and show the meaning of Leadership, rather than be simply dictated to participants.



Accelerate is run in partnership with the ICAEW. It is a five-module programme aiming to help new partners (or those on a partnership track) better understand their journey from being a Team Leader to Strategic Leader.

It involves five single day modules over the course of five months. The gaps between modules are punctuated with personalised coaching calls and project work, helping to embed course messages and guide participants through to the next stages in their career.

Making Training Simple

We are currently further refining our training pathways for the 3rd quarter of 2022 – to that the development routes for all staff (chargeable and non-chargeable) are known and easily accessible.

This will be done by mapping role competences required of our various staff against the course content, enabling our LMS system to automatically assign content to staff based on role and service line. Furthermore - this will also allow for skill to be assign to staff based on content completed, so that senior staff can better understand the knowledge strength and gaps of their team, and better prescribe solutions accordingly.

Training and COVID-19

With a majority of our training over the past few years being delivered via webinars, pre-recorded on-line content via our LMS System, the gradual lifting of COVID-19 restrictions has seen a welcome return of our professional skills courses to the Live classroom environment.

While the widespread use of webinar and recorded content allowed us to continue delivering our awards winning L&D content across the organisation amidst disruption the numerous Covid Lockdowns – lesson were also learned as to how this technology should be best applied.

Technical and knowledge-based content seemed to thrive in this environment due to the learner's ability to take in the material at their own pace and use frequently knowledge testing to lock-in the learning. Conversely, while the core messages involved in professional and management skills course could be delivered via the medium, the restriction in being able to have the face-to-face, ad-hoc, conversations further exploring these issues caused the material to be less engaging that is should be.

Going forward then, training will be developed following a mixed approached that reflects the above.



Partner remuneration

Partners are remunerated out of the profits of the Firm.

Each partner's remuneration is assessed by reference to their individual contribution to the Firm considering a wide range of criteria, including:

- 1 promoting audit quality
- 2 delivering quality work
- 3 having strong technical skills
- 4 providing excellent client service
- 5 complying with all legal and regulatory requirements
- 6 following firm procedures/policies
- 7 helping to grow the business
- 8 developing clients and client relationships
- 9 winning new business/new clients
- 10 developing new services

- 11 acting as an ambassador for the Firm
- 12 helping to develop the Firm's profile
- 13 acting as a good role model
- 14 supporting and developing others
- 15 adherence to and promotion of the firm's values

The importance attached to any individual performance criterion varies depending on the individual partner's role within the firm.

The partner group comprises equity partners and partners with similar but not identical remuneration frameworks. Both receive a notional base 'salary' and have the potential to share in the firm's partner bonus scheme. Equity partners are also entitled to a variable 'profit share' based on medium to long-term contribution to the firm. All partners are required to contribute capital to the firm.

All partners are subject to the firm's partner appraisal system. Audit partner remuneration does not take any account of the selling of non-audit services to audit clients.

G Appendices

Significant Clients

Public interest entities (PIEs)

The Firm issued audit reports on the financial statements of the following PIEs:

Audit reports signed during the year to 31 March 2022

- Bank of Ceylon (UK) Ltd
- Bank Saderat Plc
- CTB Finance Ltd
- Develop North Plc
- English & American Insurance Company Ltd
- FBN Bank (UK) Ltd
- Ferrexpo Plc
- Havin Bank Ltd
- HSF Health Plan Ltd
- Ifast Global Bank Ltd
- Melli Bank Plc
- MRG Finance UK Plc
- Persia International Bank Plc
- Petropavlovsk Plc
- REA Holdings Plc
- Stirling Water Seafield Finance Plc

Audit reports signed post 31 March 2022

- J.P. Morgan Europe Ltd
- Commercial International Bank (Egypt) SAE (Egypt)
- Hidong Estate Plc

Other significant audits

The Firm is also statutory auditor of the following significant companies:

- Acceler8 Ventures Plc (Jersey, Channel Islands)
- Hays Travel Ltd
- Jordan International Bank Plc
- Petropavlovsk 2010 Ltd (Jersey, Channel Islands)
- Petropavlovsk 2016 Ltd (Jersey, Channel Islands)
- Polymetal International Plc
- Weatherbys Bank Ltd
- Wilson James Capital Ltd

AIM listed

The Firm also has AIM listed audit clients as follows:

- Cake Box Holdings Plc
- Character Group Plc (The)
- Crossword Cybersecurity Plc
- Gateley (Holdings) Plc
- Leeds Group Plc
- PCF Group Plc
- Quantum Blockchain Technologies Plc
- Star Phoenix Group Ltd
- Tekcapital Plc
- Tintra Plc
- Trafalgar Property Group Plc

Network EU statutory audit members

As at 1 November 2021 the following independent member firms of the Baker Tilly International network provide statutory audit services in the EU.

| | Country | Name of firm | Further details |
|----|----------------|--|-----------------|
| 1 | Austria | Pro Audit Wirtschaftsprüfung und Steuerberatung GmbH | |
| 2 | Belgium | Baker Tilly Belgium | |
| 3 | Bulgaria | TPA Audit OOD; Baker Tilly Klitou and Partners OOD | See below |
| 4 | Croatia | TPA Audit d.o.o | See below |
| 5 | Cyprus | Baker Tilly Klitou & Partners Limited | See below |
| 6 | Czech Republic | TPA Audit, s.r.o. | See below |
| 7 | Denmark | Baker Tilly Denmark | |
| 8 | Estonia | Baker Tilly Baltics OÜ | |
| 9 | Finland | Baker Tilly Finland Oy | |
| 10 | France | Strego Audit | |
| 11 | Germany | Baker Tilly Holding GmbH | |
| 12 | Ireland | Baker Tilly | |
| 13 | Italy | Baker Tilly Revisa SpA | |
| 14 | Latvia | Baker Tilly Baltics SA | |
| 15 | Lithuania | UAB Scandinavian Accounting and Consulting | |
| 16 | Luxembourg | Baker Tilly Audit and Assurance àr.l | |
| 17 | Malta | Baker Tilly Malta | |
| 18 | Netherlands | Baker Tilly (Netherlands) | See below |
| 19 | Poland | Baker Tilly TPA Sp. zo.o. | See below |
| 20 | Portugal | Baker Tilly PG & Associadoes, SROC, LDA | |
| 21 | Romania | TPA Audit Advisory S.R.L.; Baker Tilly Klitou and Partners | See below |
| 22 | Slovakia | TPA Audit, s.r.o. | See below |
| 23 | Spain | Baker Tilly Iberia | See below |
| 24 | Sweden | Baker Tilly Sweden | |
| 25 | UK | MHA Moore & Smalley | |

Network Operators

Network name -TPA Group

| | EU statutory audit members | Country |
|---|---|----------------|
| 1 | TPA Audit OOD (Bulgaria) | Bulgaria |
| 2 | TPA Audit d.o.o. (Croatia) | Croatia |
| 3 | TPA Audit, s.r.o. (Czech Republic) | Czech Republic |
| 4 | TPA Control KönyvvizsgálóKft. (Hungary) | Hungary |
| 5 | Baker Tilly TPAS p.zo.o.(Poland) | Poland |
| 6 | TPA Audit Advisory S.R.L. (Romania) | Romania |
| 7 | TPA Audit, s.r.o. (Slovakia) | Slovakia |



Network name – Baker Tilly Klitou and Partners Limited

| | EU statutory audit members | Country |
|---|---|----------------|
| 1 | Baker Tilly Klitou and Partners Limited | Cyprus |
| 2 | Baker Tilly Greece Auditors S.A. | Greece |
| 3 | Baker Tilly Klitou and Partners SRL | Romania |
| 4 | Baker Tilly Klitou and Partners OOD | Bulgaria |

Network name – Baker Tilly Iberia

| | EU statutory audit members | |
|---|--------------------------------------|--------|
| 1 | Audicat Barna, S.L.P. | Iberia |
| 2 | Auditabe Auditores & Consultores S.L | Iberia |
| 3 | Esponera Auditores, S.L | Iberia |
| 4 | CJC Baker Auditores, S.L.P. | Iberia |
| 5 | Auditarum AEC, S.L.P. | Iberia |
| 6 | AEC Auditores, S.L.P. | Iberia |
| 7 | Baker Levante Audit, S.L. | Iberia |
| 8 | Baker Tilly A&C, S.L.P. | Iberia |
| 9 | Castellà Auditors, S.L.P. | Iberia |

Network name – Baker Tilly Sweden

| | EU statutory audit members | |
|----|--|--------|
| 1 | Baker Tilly Ahlgren & Co | Sweden |
| 2 | Baker Tilly Asplunds AB | Sweden |
| 3 | Baker Tilly EMK KB | Sweden |
| 4 | Baker Tilly Halmstad KB | Sweden |
| 5 | Baker Tilly Helsingborg KB | Sweden |
| 6 | Baker Tilly Jönköping | Sweden |
| 7 | Baker Tilly Karnan | Sweden |
| 8 | Baker Tilly Lulea AB | Sweden |
| 9 | Baker Tilly MLT KB | Sweden |
| 10 | Baker Tilly Mapema AB | Sweden |
| 11 | Baker Tilly Saxos KB | Sweden |
| 12 | Baker Tilly SEK AB | Sweden |
| 13 | Baker Tilly Stint AB | Sweden |
| 14 | Baker Tilly Stockholm KB | Sweden |
| 15 | Baker Tilly Strömstad AB | Sweden |
| 16 | Baker Tilly Swedrev | Sweden |
| 17 | Baker Tilly Sydost AB | Sweden |
| 18 | Baker Tilly Umeå AB | Sweden |
| 19 | Baker Tilly Örebro AB | Sweden |
| 20 | Baker Tilly Östra Värmland AB | Sweden |
| 21 | Adsum Revisorer och Företagskonsulter AB | Sweden |
| 22 | Edlings Revisionsbyrå KB | Sweden |
| 23 | Ernströms Revisionsbyrå, AB | Sweden |
| 24 | Thorell Revision AB | Sweden |
| 25 | Ahnell & Partner Revisionsbyrå | Sweden |
| 26 | Aktiv Revision I Gavle AB | Sweden |
| 27 | Guide Revision AB | Sweden |
| 28 | Luminor Revision | Sweden |
| 29 | M. Sandbergs Redovisning & Revision AB | Sweden |
| 30 | Mora Revisionsbyrå AB | Sweden |
| 31 | Revisorshuset I Uppsala AB | Sweden |
| 32 | Radek KB | Sweden |
| 33 | Solid Revision | Sweden |
| 34 | Sporrang & Eriksson Revisionsbyrå AB | Sweden |
| 35 | YW Revision AB | Sweden |

Total network revenue from statutory audit

The total statutory audit fees for EU members for the period is approximately €145 million (last year €133 million.)

About The Firm

Analysis of Firm turnover

The Firm's total fee income for the year to 31 March 2022 was £81.6 million (£75.1 million in 2021). This is analysed as follows:

| | 2022 £m | 2021 £m |
|---|-------------|-------------|
| Statutory audits and directly related services for audit clients (EU PIEs and subsidiaries of EU PIEs) * | 5.7 | 3.9 |
| Statutory audits and directly related services for other audit clients | 32.0 | 24.3 |
| Sub-total of statutory audit services | 37.7 | 28.2 |
| Non-audit services to audit clients | 18.9 | 19.4 |
| Services to non-audit clients | 25.0 | 27.5 |
| Total turnover | 81.6 | 75.1 |

* Includes turnover for entities that meet the definition of an EU PIE (or a subsidiary of) as at 31 March 2022.

Background to transparency reporting

MacIntyre Hudson LLP is referred to as "MHA MacIntyre Hudson", "the Firm", "we", "our", "its" in this Transparency Report. We trade under the name MHA MacIntyre Hudson and are a long-established firm of Chartered Accountants and business advisors.

In this section, we explain what this Transparency Report covers, who the users are expected to be, and why they should read it.

As we do not audit the financial statements of a major local government or healthcare body, we are not required to comply with the Local Auditors (Transparency) Instrument 2015.

Similarly, as we do not audit more than 20 entities listed on a regulated market, we are not required to comply with the Financial Reporting Council's (FRC) Audit Firm Governance Code ("AFGC" or the "Code").

This Transparency Report has been prepared solely in respect of MacIntyre Hudson LLP and does not relate to any of its subsidiaries or associated undertakings or other member firms of MHA or Baker Tilly International.

In their review of Transparency Reporting dated September 2019, the Financial Reporting Council (FRC) made the following statement in their introduction:

"Auditors have a crucial public interest role, providing assurance on the truth and fairness of information published in an entity's annual report and accounts. Given the importance of the audit to users of financial information, those users are entitled to understand how appropriate their auditor is for the role. This requires [relevant] information on their auditor to be publicly available."

As recommended by the FRC, we see our Transparency Report as an opportunity to:

- Provide relevant, reliable, and useful information that facilitates engagement between this Firm and the users of financial information
- Communicate a balanced self-assessment of the challenges we face in relation to audit quality and the effectiveness of our actions to overcome them
- Promote confidence in our systems, processes, and governance to engender public trust

The intended beneficiaries of this Transparency Report are principally investors and Audit Committee Chairs (ACCs) and members. This Transparency Report has been written primarily as an accountability and compliance document rather than a marketing opportunity. For this reason, it has deliberately been kept short (to encourage users to read it in full) with minimal marketing input.

Legal structure and ownership

MacIntyre Hudson LLP is a limited liability partnership registered in England and Wales (OC370220) with its registered office based in Milton Keynes, England.

We are a member firm of, and are regulated by, the Institute of Chartered Accountants in England and Wales (ICAEW) and our registered number is C001282232.

The Firm is owned entirely by its members, who are described as partners herein.

Our professional activities are carried out by the Firm and various subsidiaries and associated businesses ("the group"). Services offered by the group include:



The Firm is a Registered Auditor with the ICAEW.

Responsible individuals (RIs)

RIs (Audit Partners and signing directors) are persons within the Firm individually responsible for audit work. They are the only people allowed to sign the audit report of an individual audit client. For this reason, the expertise and integrity of these individuals is paramount to the effective operation of the Firm's Audit Department.

To become a RI, the individual must hold a Practising Certificate and an Audit Qualification. A searchable database of these RIs (also known as Statutory Auditors and Senior Statutory Auditors) is available via the online Audit Register.

Network membership

The Firm is an independent member of both MHA (a national network of independent accountancy firms) and Baker Tilly International (an international network of independent accountancy and business advisory firms). All firms in MHA and Baker Tilly International are distinct and separate legal entities.

MHA

We have been a member of MHA since it was founded in 2010 as a national association of independent accountancy firms. MHA consists of two member firms, with more than 19 offices nationwide, all sharing common values and goals.

London, Midlands, and South East

MHA MacIntyre Hudson

North West

MHA Moore & Smalley

Both of the above firms are Registered Auditors.

Baker Tilly International (BTI)

We are a member of the BTI network of independent accountancy and business advisory firms. BTI ranks in the top ten worldwide networks. The governance of BTI is detailed on their website: www.bakertilly.global/en/about/governance

BTI also provides an online Independence Database which allows us to check whether there are any international conflict of interests (or threats to independence) resulting from work done for the client (and/or any of its related companies) by other members of BTI. This database includes details of all clients (which are members of a listed corporate group) for which professional services are provided by another BTI member.

Governance structure

The Firm is controlled by a Management Board consisting of the following individuals:



Rakesh Shaunak
Managing Partner
and Group Chairman

Rakesh is the Managing Partner and Group Chairman of MHA MacIntyre Hudson. He is a Senior Director of Baker Tilly International, of which MHA is the UK member.

He has been one of the key figures behind the Firm's growth and development, which encompasses the creation of MHA and membership of Baker Tilly International. Over the last few years, the Firm has enjoyed double digit growth under his stewardship. Rakesh qualified as a Chartered Accountant with a top five firm, gaining experience of large corporate audits and qualifying as a Member of the Institute of Taxation. He devotes much of his time to business advisory work and has a large portfolio of commercial clients. He acts as Audit Partner on several of the Firm's Public Interest Entity (PIE) audit clients, including international banks and listed companies.

Rakesh sits as a non-executive on the board of a listed property company, and until recently was Chairman of the Audit and Risk Committee of the Chartered Institute of Taxation.

His philosophy is to push boundaries and not accept complacency.



Andrew Moyser
Vice Chairman and
Head of Audit

Andrew is Vice Chairman for the Firm, he is also part of the Southern Region team and specialises in audit, assurance, and financial reporting. Andrew's portfolio includes several large international groups with listed parents, as well as UK owner managed businesses.

Andrew has been at MacIntyre Hudson since 2005 and is the Firm's Audit Compliance Partner and a member of the Firm's Audit Policy Group. In this role, Andrew ensures the Firm's audit quality as he reviews the Firm's high-profile clients and more complex audits. Andrew leads the Firm's audit innovation project – responsible for bringing Data Analytics and Artificial Intelligence into our audit practice.



Steve Moore
Finance

Steve's background is in both industry and accountancy - he returned to the profession because it offered him more variety. When appointed in 1989, he was one of the Firm's youngest ever Partners.

Steve's specialist sectors include professional practices. He is a member of the Firm's Management Board with specific responsibilities for finance.



Atul Kariya
Marketing

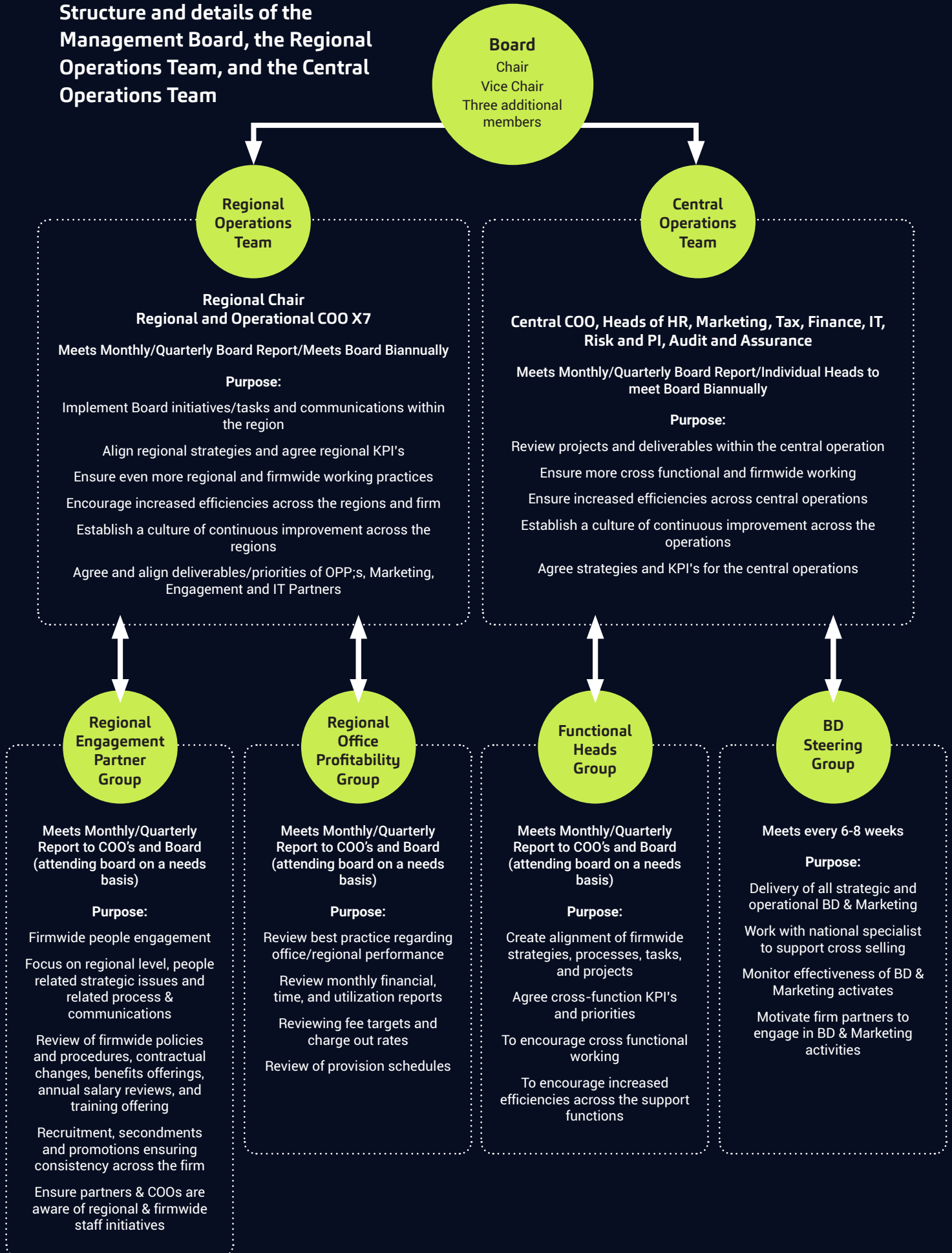
Atul was appointed a partner in 2006 and is a member of the Firm's Management Board with specific responsibility for business development and marketing. Atul is also the Firm's National Sector Head for Manufacturing and advises a variety of corporate clients operating in the UK and internationally. His clients range from subsidiaries of international groups to large privately owned companies operating in different jurisdictions. Specialist sectors include manufacturing and engineering, construction and technology.



Kate Arnott
Strategy

Kate was appointed to the Management Board in June 2021, having previously held other management roles within the Firm, including Regional Ethics Partner and Regional Chief Operating Officer (Thames Valley office). Kate has a varied portfolio of clients - based largely in London and the South East, but extending out as far as Chicago. She is the Head of our Professional Services sector and, as such, has a deep understanding of the unique challenges and opportunities faced by professional practices.

Structure and details of the Management Board, the Regional Operations Team, and the Central Operations Team



Culture and values



Service

We care about what matters to you



Teamwork

Building the future together



Attitude

Can do, will do



Relationships

Succeeding together

STAR values

Our STAR values of Service, Teamwork, Attitude and Relationships help us create a successful working environment and underpin how our people and clients experience the Firm. They are integral to ensuring our people are engaged and motivated in their everyday working life.

Culture

Our STAR values are embedded in every aspect of the way we work. They were initially determined by our staff and so are embedded in our culture.

These values guide us to ensure we can be the best that we can be. They determine our Firm culture. Our people are at the heart of this culture, and they are actively encouraged to put forward ideas to drive positive changes within the Firm. As part of this we have a six-monthly anonymous staff engagement survey and a firmwide engagement team who review staff engagement continuously throughout the year, and look where we can improve and make the changes that lead to a happy, engaged and more productive workforce.

We believe transparency is key and so does our Managing Partner, Rakesh Shaunak, who delivers a yearly roadshow, visiting all our UK offices, updating staff on our strategic plans, and concluding with an open question-and-answer session.

Reward and recognition

We have a wide range of benefits to look after our staff's physical and mental well-being, such as a 24-hour employee assistance programme, access to a second medical opinion and 24 hour GP service as well as discounted gym membership. There is also a "thank you" platform where staff can thank and reward colleagues with vouchers for doing great work that align to our values. We believe a thank you goes a long way and we like to recognise when a colleague does well.

Service

we care about and take pride in;

- Our clients
- Our firm's reputation
- Our staff
- Our partners

Teamwork

leading our teams, means;

- As partners we are individual of thought and welcome diversity of opinion
- We inspire and empower our teams
- We encourage innovation and enterprise
- We celebrate success and learn from failure
- We build trust – we will listen and empathise to build trusted relationships

Attitude

having a great attitude means;

- We trust our colleagues to do their jobs, and give them the freedom to do their best
- We collaborate across teams to make everyone successful
- We are inclusive and care, helping everyone to be the best they can be
- We actively participate in the wider Partnership team

Relationship

we make a difference together;

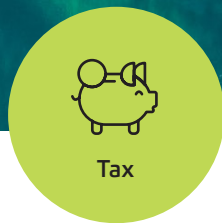
- We don't accept mediocrity
- We have the courage to test new ways of doing things
- We are hungry to better ourselves and our firm
- We take responsibility for everything we do

Core client services and business sectors

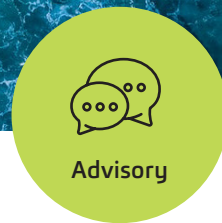
The firm is structured by service lines, but goes to market primarily via sector groups, which are fully integrated with the service teams.



- External audit
- Financial reporting
- Governance, risk & compliance
- Grant & royalty audit



- Corporate tax
- Private client tax
- VAT
- International business tax
- Employment tax



- Corporate Finance
- Restructure & recovery
- Entrepreneurial business
- Financial solutions
- Wealth management



- HR solutions
- Payroll
- Bookkeeping & accounting
- Cloud accounting
- Financial training

Our sectors



Agriculture & Rural Business



Financial Services



Motor



Real Estate



Construction



Healthcare



Not for Profit



Technology



Consumer



Manufacturing & Engineering



Pharma and Life Sciences



Transport & Logistics



Education



Media & Entertainment



Professional Services




Travel & Tourism



Energy & Natural resources

 @MHUpdates

 MHA MacIntyre Hudson

MHA MacIntyre Hudson is the trading name of MacIntyre Hudson LLP, a limited liability partnership, registered in England with registered number OC312313. A list of partners' names is open for inspection at its registered office, Moorgate House, 201 Silbury Boulevard, Milton Keynes MK9 1LZ.

MacIntyre Hudson LLP is an independent member of MHA and an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited. Further information can be found via our website <https://www.macintyreHUDSON.co.uk/legal-disclaimer>

Now, for tomorrow

macintyreHUDSON.co.uk