

haysmacintyre

Transparency Report
For the year-ended 31 March 2011

29 June 2011

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1. Introduction

haysmacintyre is a firm of Chartered Accountants and tax advisers built on a strong commitment to client service which includes a rapid response from partners who are fully conversant with their client's businesses and objectives. Our clients include established and entrepreneurial organisations across a range of sectors and a substantial number of not-for-profit entities.

Our clients demand proactive, accurate and up-to-date pragmatic advice.

Clients value the firm's in-depth experience and specialist expertise which is delivered in a friendly and accessible way by partners who take a keen interest in their clients' businesses. These partners are supported by specialist staff ensuring all financial, commercial and taxation needs are addressed. We endeavour to train our successors but we also recruit when we need additional expertise or management resources. Whilst the present firm was formed in 2001 when two firms merged, our origins go back more than a century and we moved to our present location in 2003.

This report is designed to provide an overview of who we are, our values and the policies and procedures we have in place to ensure the maintenance of audit quality. This is the firm's second transparency report, for the year-ended 31 March 2011.

2. Legal structure and ownership

haysmacintyre is a partnership wholly owned by its partners. At the date of this report there are 25 partners. A full list of partners' names is available for inspection at Fairfax House, 15 Fulwood Place, London WC1V 6AY, the firm's place of business. The firm is independent and has no related UK firms or overseas branches.

The firm is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

In addition to the partnership, a number of subsidiaries and joint ventures provide specific services including corporate finance, financial planning and IT consultancy.

The firm operates from a single office in Holborn, Central London. The firm is structured along service lines and our core services are:

- Audit and assurance
- Business tax
- Corporate finance
- Financial planning
- Personal tax and trusts

3. International

haysmacintyre is a member firm of MSI Global Alliance (MSI), which comprises over 250 independent legal and accounting firms operating locally in countries around the world. Collectively its member firms have 7,000 lawyers and accountants in over 300 offices in 100 countries. MSI is an alliance of independent firms and is not a network.

MSI member firms are among the most respected, English-speaking, full service professional services firms in their local marketplaces and share a common desire to provide partner-led, personal, value for money solutions to the cross-border challenges faced by entrepreneurial, small to medium sized businesses.

haysmacintyre's membership of MSI enables the firm to quickly source reliable, local expertise wherever in the world, clients are involved in doing business.

4. Governance and management

The leadership of our firm is primarily the responsibility of our Managing Partner, Simon Wilks. He is supported by a Board of three partners who are responsible for the management of the firm with him.

There are Quarterly Partners' meetings and two Partners' seminars each year at which matters of governance and management are discussed, where partners participate in decisions regarding the strategy of the firm.

The firm's constitution is contained in the Partnership Agreement, which includes the process for the appointment of the Managing Partner and the Board, who serve a renewable three year term.

The Managing Partner is supported by Partners in charge of business service departments as well as Managers in charge of Finance, Human Resources, IT and Marketing.

Managing Partner – Simon Wilks

The Board – Ian Cliffe, George Crowther and Richard Weaver

5. Internal quality control systems

The policies and procedures adopted by the firm are designed to provide a culture of quality through all service lines. These are documented in our internal manuals and the culture is emphasised through our staff and partner appraisal processes.

The culture within the firm

The culture of the firm is derived from the leadership and commitment of all partners. Audit quality is valued, invested in and rewarded; we also dedicate time and resources to provide a quality audit service. Our Partners work together to ensure that personal judgements in respect of certain contentious and subjective issues are subject to consultation.

Bernie Watson is the firm's Ethics Partner who ensures that partners and staff achieve the objectives of relevant ethical codes and the firm's own procedures. These procedures ensure that financial considerations do not drive decisions which could have a negative effect on the quality of our audit work.

The skills and personal qualities of audit partners and staff

We recruit approximately sixteen graduates and a number of more senior staff each year. All partners and professional staff complete relevant training on a regular basis to maintain the high levels of technical expertise. Training requirements are assessed and monitored at twice-yearly appraisal meetings. We actively promote from within and many of our managers and partners trained with the firm. We spend considerable time understanding our clients' businesses to improve the quality of our audits and the service to clients.

The effectiveness of the audit process

We have developed our own paperless audit system, eAudit, which is regularly updated to ensure that our audit work complies with relevant rules and regulations. Our audit approach is tailored to each client with an audit planned to maximise its efficiency and effectiveness. Partners and Managers are actively involved at all stages of the audit. The firm's Audit Technical team, headed by a partner, David Cox, assists partners and staff in addressing difficult and complex issues.

Audit reporting

Our procedures ensure that our audit reports address the needs of the user and are appropriate to the financial statements. We communicate in writing and in person to Audit Committees, highlighting key audit areas and ways of improving financial reporting.

Quality monitoring

Detailed reviews of audit files are performed throughout the year by external consultants and partners. Results of these reviews are circulated to all partners and managers and our systems and procedures are enhanced as necessary.

The Managing Partner and the Board are satisfied that the Firm's internal quality control system is effective in all material respects.

6. Regulatory monitoring

The firm was last visited by the Financial Reporting Council's Audit Inspection Unit (AIU) in April 2008.

The firm was last visited by the ICAEW's Quality Assurance Directorate (QAD) in September 2009.

7. Independence procedures

The firm maintains internal policies and procedures to ensure that it remains independent from its clients and that potential threats to our objectivity are dealt with appropriately and on a timely basis.

A register is maintained of all listed clients and partners and staff are prohibited from holding shares in any audit client. All partners and staff complete annual declarations of independence and notify the Audit Compliance Partner (Ian Cliffe) of any actual or potential threats.

At the planning stage of each audit we reassess our independence and ensure proper safeguards are implemented to ensure our objectivity is not impaired. This includes a robust assessment of the impact of non-audit services and length of service.

An additional review of audit work by an independent second partner is performed for all public interest clients. Mandatory partner rotation every five years is required for the audits of listed clients.

An internal review of independence practices has been conducted.

8. Professional skills and training

We are committed to developing and maintaining the highest possible standard of technical competence through our internal and external training courses.

Appropriate training is undertaken on a regular basis for all relevant audit staff covering specialist industries and sectors. All qualified audit staff and partners, attend quarterly technical courses presented by a leading training expert. Our junior staff benefit from year-round mentoring by managers and 'on-the-job' training from their seniors.

The haysmacintyre audit technical team regularly prepare guidance notes and factsheets as well as holding internal and external technical seminars.

Each individual's professional development needs are assessed as part of their annual performance appraisal.

9. Financial information

For the year-ended 31 March 2011, the firm's turnover was £16.4 million of which ~ £7.7 million related to the provision of statutory audit services.

10. Partners' remuneration

Partners' remuneration is considered and agreed annually by the Equity Partners. Profits are allocated to partners on a fixed or equity sharing basis.

Audit partners' remuneration is not based by reference to the selling of non-audit services to audit clients, thereby assisting in maintaining the independence of the audit function where non-audit services are provided.

Each partner is subject to an annual performance review, conducted by the Managing Partner and a member of the Board, where all aspects of the partner's performance are discussed including remuneration and profit share.

11. Public interest entities

During the year-ended 31 March 2011, audit reports were issued on the financial statements of the following public interest entities:

Company	Market
Cubus Lux plc	AIM
Feedback plc	AIM
FeOnic plc	Plus
Independent Media Distribution plc	AIM
iPoint Media plc	AIM
Jupiter Green Investment Trust plc	London Stock Exchange
Jupiter Primadona Investment Trust plc	London Stock Exchange
Servision plc	AIM
Solid State plc	AIM