

haysmacintyre

Transparency Report
For the year-ended 31 March 2015

29 June 2015

Contents

1. Introduction
2. Legal structure and ownership
3. International
4. Governance and management
5. Internal quality control systems
6. Regulatory Monitoring
7. Independence procedures
8. Professional skills and training
9. Financial information
10. Partners' remuneration
11. Public interest entities

1. Introduction

haysmacintyre is a firm of Chartered Accountants and tax advisers in Central London, providing advice to entrepreneurs, fast-growing and owner-managed businesses, charities and not for profit organisations across the UK and international.

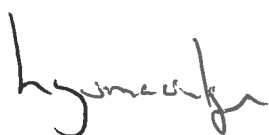
We help our clients solve problems, grasp opportunities and achieve their goals. As a mid-tier firm we are large enough to provide a wide range of services, yet small enough to offer a personal, responsive approach. In November the firm was named Mid-Tier Firm of the Year at the 2014 British Accountancy Awards.

All our services are provided by specialist teams with in-depth knowledge of a sector. This means each client benefits from the support of someone who understands their challenges and can give them accurate, appropriate advice. We spend time getting to know our clients well so we can tailor our services to meet their needs.

Over the years we have built strong, close and enduring relationships with our clients as they value us as trusted advisers.

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 sixth transparency report, for the year ended 31 March 2015.

This report was approved by the partners on 29 June 2015.



2. Legal structure and ownership

haysmacintyre is a partnership wholly owned by its partners. At the date of this report there are 29 partners. A full list of partners' names is available for inspection at 26 Red Lion Square, London, WC1R 4AG, 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 being:

- Audit and Assurance
- Company Secretarial
- Corporate Finance
- Governance & Risk
- International
- IT Consulting
- Outsourcing
- Payroll
- Tax
- Transaction Support

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 nearly 10,000 lawyers and accountants in over 100 countries with a combined fee income of approximately US\$1.4bn. MSI is an association 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 Partners are responsible for matters of corporate governance and for making decisions regarding strategy and policy, which are discussed at Quarterly Partners' meetings and biannual Partners' seminars.

The day to day management of the firm is the responsibility of our Managing Partner, Ian Cliffe. The Managing Partner is supported by Partners in charge of business service departments as well as a Chief Operating Officer and other managers in charge of Finance, Human Resources, IT, Marketing and Office Services.

He is also supported by a Board of two partners and the firm's Chief Operating Officer, who are responsible for putting forward strategic and other proposals at Partners meetings, reviewing operational matters and supporting the Managing Partner as required with the general management 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, limited to two terms for the Managing Partner.

Managing Partner – Ian Cliffe

The Board – George Crowther, Adam Halsey and David Lewendon (Chief Operating Officer)

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 twenty 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 an external consultant and independent 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 (now replaced by the Audit Quality Review Team) in April 2008.

Our last audit monitoring visit from the ICAEW's Quality Assurance Directorate (QAD) was in August 2012. The next QAD audit monitoring visit is planned for September 2015. The QAD performed a Practice Assurance and Designated Professional Body (DPB) review in January 2015.

The firm has not faced any FRC or ICAEW disciplinary proceedings during the year.

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. Senior staff and partners have access to an online resource designed to assist with the development of their professional skills. Our junior staff benefit from year-round mentoring by managers and 'on-the-job' training from their seniors.

Mandatory training on the impact of the transition to FRS 102 was provided to partners and managers. 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 2015, the firm's turnover was £21.3 million (2014: £19.7m) of which ~ £10 million (2014: £9.9m) related to the provision of statutory audit services.

10. Partners' remuneration

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

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.

11. Public interest entities

During the year ended 31 March 2015, audit reports were issued on the financial statements of the following public interest entities:

Company	Market
Audioboom Group Plc	AIM
Capital for Colleagues Plc	ISDX
Concha Plc	AIM
Early Equity Plc	ISDX
Enables IT Group Plc	AIM
EU Supply Plc	AIM
Feedback Plc	AIM
Hubco Investments Plc	ISDX
Jupiter Green Investment Trust Plc	LSE - Premium listing
Jupiter Primadona Investment Trust Plc	LSE - Premium listing
North American Petroleum Plc	ISDX
PeerTV Plc	AIM
Servision Plc	AIM
Solid State Plc	AIM
Stallion Resources Plc	AIM
Tavistock Investments Plc	AIM
YOLO Leisure and Technology Plc	AIM