

This is an updated version of the 30 September 2017 Transparency Statement**Background**

Firms that audit any UK companies with securities admitted to trading on a UK regulated market are required to publish a transparency report annually.

From June 2016, the requirement to publish an annual transparency report applied to firms that audit any entities falling within the definition of a Public Interest Entity (PIE) in the new EU Audit Regulation/Statutory Audit Directive. This report covers our financial year to 30 September 2017.

Beever and Struthers provides a full range of accountancy and advisory services including accounts preparation, statutory audit, assurance, corporate finance, corporate recovery, taxation and payroll. The firm has 18 partners operating nationally from three offices in the UK: Manchester; Blackburn and London.

Legal Structure and ownership

Beever and Struthers is a Partnership. All of our professional services are carried out through one firm.

The firm is owned by the partners, all of whom are members of the Institute of Chartered Accountants in England and Wales ("ICAEW") including two associate members. Our insolvency partner is additionally professionally qualified as a Licensed Insolvency Practitioner.

The following three entities are "connected entities" of the firm:

- **B&S Financial Management Limited ("BSFM")**
BSFM is an independent financial services company, established in 1985 offering advice on investments and savings, pensions, mortgages and protection for both business and personal clients. Two of the partners of Beever and Struthers are also directors and shareholders of BSFM, and there are additionally two other shareholders.
- **North West Taxation Services Limited**
North West Taxation Services Limited is a VAT consultancy that is collectively owned by four small accountancy practices based in the North West of England (including Beever and Struthers) together with a VAT consultant, with all parties owning a 20% shareholding. North West Taxation Services provided VAT consultancy services to these four accountancy practices, including Beever and Struthers, throughout the year ended 30 September 2017 but since 31 December 2017 is no longer trading.
- **The Company Books**
The Company Books provides bookkeeping and accountancy services to a wide variety of clients, predominantly based in London. Beever and Struthers owns 70% of the share capital, and two of the partners of Beever and Struthers are directors of The Company Books.

International networks

Beever and Struthers is a member of HLB UK, which is in turn a member of HLB International. HLB International is a world-wide organisation of professional accounting firms and business advisers, each of which is a separate and independent legal entity and as such has no liability for the acts and omissions of any other member. HLB International Limited is an English company limited by guarantee which co-ordinates the international activities of the HLB International organisation but provides no professional services to clients. Accordingly, HLB International Limited has no liability for the acts and omissions of any member of the HLB International organisation, and vice versa.

Governance Structure

The Firm is owned by the partners, with voting rights assigned via the Partnership Agreement. The control and management of the Partnership remains in the hands of the partners. All partners attend quarterly meetings at which financial performance and management are discussed and all participate in the decision making process regarding the running of the Firm.

All matters relating to the running of the Partnership's business are generally the responsibility of the Executive Committee which meets every month. A formal risk management process is in place which is discussed by the Executive Committee on a quarterly basis together with various matters relating to the Firm's strategy and governance.

The membership of the Executive Committee is established in the Partnership Agreement and currently comprises: the senior partner; the managing partner; the marketing partner; the HR partner; the IT partner; the finance partner and the regulatory partner. In addition a fixed equity partner is appointed to the Executive Committee on a six monthly rotational basis.

Internal Quality Control System**• Leadership responsibilities for quality within the Firm**

Maria Hallows, the Firm's Executive and Compliance Partner, is responsible for ensuring that the Firm establishes and maintains suitable quality control policies and processes, including the maintenance of an appropriate documented structure within the Firm.

Maria is responsible for the development, documentation and communication of these matters within the Firm. It is also her responsibility to ensure that the quality of audit engagements conducted by the Firm is never compromised by commercial considerations.

Maria is also responsible for ensuring that the Firm has complied, and will continue to comply, with Audit Regulations and is the first point of contact with the ICAEW from a compliance perspective.

The detailed responsibilities of each of these individuals are set out in the Firm's Audit Policy document. The Audit Compliance Partner ensures that this is kept up to date and that all staff are familiar with its content including any updates that are made.

• Ethical requirements

Maria Hallows is the Firm's Ethics Partner, responsible for ensuring that the Firm has complied, and will continue to comply, with the Ethical Standards issued by the FRC.

Ongoing ethical issues, including the provision of non-audit services to audit clients, are considered prior to the commencement of each individual audit assignment and by reference to the Ethics Partner if required. Where we do not consider that the appropriate safeguards can be put in place, the assignment is declined. Ethics training is provided on a regular basis to ensure that all partners and staff are aware of the requirements.

The detailed responsibilities of the Ethics Partner are set out in the Firm's Audit Policy document.

• Acceptance and continuance of client relationships and specific engagements

All new client appointments are subject to completion of the following: Client Identification Form and related due diligence documentation as required under the Anti-Money Laundering Regulations; Client Acceptance and Risk Questionnaire; and Conflict of Interest checks.

- **Acceptance and continuance of client relationships and specific engagements (continued)**

All new client appointments are subject to completion of the following: Client Identification Form and related due diligence documentation as required under the Anti-Money Laundering Regulations; Client Acceptance and Risk Questionnaire; and Conflict of Interest checks.

Before accepting an appointment or re-appointment, the Responsible Individual must complete a checklist to justify the decision. This is completed to assess the client and the risks (if any) of acting for the client or providing the services requested.

When there is any doubt, acceptance of the client will be discussed with the Ethics Partner, Maria Hallows, and our Money Laundering Reporting Officer (MLRO), Jacquie Adams, Partner.

The Firm is committed to providing the highest standards of client care and service. We therefore ensure that, before accepting an assignment, the relevant partners and staff have the appropriate skills and knowledge to undertake the assignment including consideration of any sector specific training that may be required in order to complete the assignment to the highest possible standard.

- **Human resources**

Human resource matters are the responsibility of the HR Director, Jo Rigby. Jo is responsible for the development and maintenance of our HR procedures covering quality of staff, recruitment, grievances and appraisals. Staff remuneration is reviewed and agreed by all of the partners.

Andy McLaren, Partner, is the qualified person responsible for training, ensuring that the firm provides a structured programme for all of our accountancy trainees on the various training programmes that we offer.

We are committed to ensuring that all our staff maintain up to date relevant training in order to deliver assignments of the highest possible quality. All professional staff and partners who are not studying for examinations undertake Continuing Professional Development ("CPD"). Specific training requirements are considered via the appraisal process and all staff are required to commit to undertake training for the relevant areas. Relevant staff (including those with Responsible Individual status for audits) maintain CPD records and review and update these regularly following completion of various training courses throughout the year including any sector specific training that may be required.

- **Engagement performance**

All of the Firm's audit manuals and programmes are provided by CCH using the Pro Audit software and all of the audits undertaken by the Firm follow the procedures set out by CCH. The audit planning process ensures that the programmes are tailored to the specific requirements of the assignment and that the audit is properly focused.

All audits are subject to both Audit Manager and Responsible Individual review with feedback given to staff on areas where they have performed well and areas where improvements could be achieved, thus ensuring the continued development of our staff.

The Firm also ensures that audit files are maintained to a high standard through regular training. Audit and accounting update courses are provided to all relevant staff across all three offices twice a year using an external training provider in addition to various internal training sessions that we run throughout the year.

We use an external cold file reviewer to select a sample of audit files for review on an annual basis, ensuring that each Responsible Individual is included at least once every three years for review. The results are sent to Maria Hallows, the Audit Compliance Partner, and explanations of any matters identified are sought where this is appropriate. Development points arising from these reviews are formally monitored using a rolling action plan and appropriate action is taken, for example, running additional internal training sessions if appropriate.

- **Engagement performance (continued)**

We undertake an annual practice assurance compliance review and whole firm compliance review. Any matters identified are dealt with as appropriate and a rolling action plan is maintained in order to monitor progress against issues raised. This is discussed at the Executive Committee meeting as part of on-going monitoring and assessment of the internal quality control system. The Executive Committee is satisfied that the internal quality control system is operating effectively.

Monitoring visits

The Firm is subject to regular monitoring visits by the Quality Assurance Directorate (QAD) of the ICAEW. The last audit visit took place in April 2015 and the last practice assurance visit took place in April 2017. As at 30 September 2017 the Firm had six clients that fell within the remit of inspection by the AQRT. Further details are provided below.

In addition, the Firm is also subject to monitoring visits in respect of its licensed insolvency work by the QAD. The last visit took place in 2017.

Public Interest Entities

During the year ended 30 September 2017 the firm acted as auditors of the following clients which fall within the definition of a public interest entity as defined by the FRC following the implementation of the EU Audit Directive in June 2016.

- B3 Living
- Boston Mayflower Limited
- Longhurst Group Limited
- Methodist Chapel Aid Limited
- Monarch Assurance plc
- WM Group Limited

Independence procedures

All partners and staff are required to complete annual declarations of Fit, Proper, Confidentiality and Independence which are reviewed by Maria Hallows, the Audit Compliance Partner. The forms are also completed for any person joining the firm during the year. A confidential database is maintained and updated annually noting any exceptions identified as part of this process together with the appropriate safeguards that have been put in place. The database is reviewed at least annually by Maria Hallows.

A conflict of interest check is distributed by email to all staff prior to accepting any engagement and responses are monitored by the relevant team. Any exceptions noted as part of this review are notified to Maria Hallows and the database is updated accordingly.

Maria Hallows is notified of any matters which may have an effect on independence, or of any actual or potential conflicts of interest as these arise throughout the year. If any are identified appropriate action is taken.

As part of our audit planning process, prior to the commencement of each audit, we review our independence which includes consideration of whether any non-audit services provided by the Firm to audit clients may impact on our actual or perceived independence. This review is updated again, before issuing our opinion.

Our Audit Policy document sets out certain criteria where an engagement quality control review is required. This includes all public interest entity audits and listed company audits and consideration is also given to review requirements for employee Responsible Individuals.

As part of our annual internal compliance procedures we confirm that an internal review of independence practices has been conducted.

Financial Information

The following table summarises the revenue for the firm for the year to 30 September 2017 and the preceding financial year.

Analysis of revenue for the year ended 30 September	2017	2016
	£m	£m
Revenue from statutory audit work	4.612	4.322
Revenue from non-audit services provided to audit clients	1.190	1.008
Revenue from non-audit services provided to non-audit clients	4.764	5.144
Total revenue	10.566	10.474

Non-audit services provided to audit clients include the preparation of financial statements, corporation tax compliance, payroll services, corporate finance services, general tax advice and VAT advisory work. The provision of any non-audit services to audit clients is subject to the review highlighted above.

Basis of remuneration of partners

The allocation of profit to each partner is established with reference to the Partnership Agreement. Audit partners are not remunerated by reference to the sale of non-audit services to audit clients, thereby assisting in maintaining the independence of the audit function where non-audit services are provided.

W EU Audit Regulation/Statutory Audit Directive. This report covers our financial year to 30 September 2017.

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Beever and Struthers
Chartered Accountants and Business Advisors

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