

Background

This report covers the firm's financial year to 30 September 2021. 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 EU Audit Regulation/Statutory Audit Directive. On 31 January 2020, the United Kingdom (UK) left the European Union (EU). However, pursuant to an agreement between the UK and EU, the UK remained part of the EU customs union and single market and continued to apply EU law until the end of the transition period on 31 December 2020. This report spans the end of the transition period. In the interests of consistency, we have continued to apply EU regulation throughout the year and have prepared this report in accordance with the EU Audit Regulation/Statutory Audit Directive.

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 17 partners operating nationally from four locations in the UK: Manchester, Blackburn, Birmingham, and London. 11 of the partners are Responsible Individuals for audit purposes. In addition, the firm has 3 employees who have been appointed as Responsible Individuals for audit purposes.

Legal Structure and ownership

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

The firm is owned by the partners, all of whom are members of either the Institute of Chartered Accountants in England and Wales ("ICAEW"), or the Association of Chartered Certified Accountants ("ACCA") or hold the necessary affiliate status. The firm's insolvency partner is additionally professionally qualified as a Licensed Insolvency Practitioner.

The Company Books Limited ("TCBL") was a "connected entity" of the firm until it was sold on 19 February 2021. TCBL provides bookkeeping and accountancy services to a wide variety of clients, predominantly based in London. Until 19 February 2021, Beever and Struthers owned 70% of the share capital, and two of the partners of Beever and Struthers were directors of TCBL.

International Affiliation

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 regular meetings (at least quarterly in each year) at which financial performance and management are discussed and all participate in the decision-making process regarding the running of the firm.

Maria Hallows and Caroline Monk are Executive Partners of the firm.

Matters relating to the operational management of the practice and implementation of partners' decisions are undertaken by the Operations Board which meets every month. A formal risk management process is in place which is monitored by the partners.

The Operations Board currently includes both Executive Partners. The other members of the Operations Board, who are not partners, are the Human Resources Director, the Marketing and Business Development Director, the Practice Manager and the Information Technology Manager.

Internal Quality Control System

- **Leadership responsibilities for quality within the firm**

Sue Hutchinson, the Audit 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.

Sue 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.

Sue 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 Audit Compliance Partner ensures that the firm's Audit Policies and Procedures are kept up to date and that all staff are familiar with its content including any updates that are made.

- **Ethical requirements**

Sue Hutchinson is the firm's Ethics Partner, responsible for ensuring that the firm has complied, and will continue to comply, with the Ethical Standard issued by the Financial Reporting Council.

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 adequate 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. The Anti-Money Laundering aspects of the client acceptance process are driven by the Firm-wide Money Laundering Risk Assessment, which is updated annually

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, Sue Hutchinson, and the firm's Money Laundering Reporting Officer (MLRO), Suzanne Lomax, 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.

Internal Quality Control System (continued)

- **Human resources**

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

Richard Williams, Partner, is the qualified person responsible for training, ensuring that the firm provides a structured programme for all of the firm's accountancy trainees on the various training programmes that we offer.

We are committed to ensuring that all of the firm's 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 in the "Reflect, Act, Impact" format set out by the ICAEW, 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 electronic platform. 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 the firm's 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 four locations 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 considered by Sue Hutchinson, 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.

We undertake an annual practice assurance compliance review and whole firm audit 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 in annual partner and staff appraisals, at partner meetings and departmental meetings as part of on-going monitoring and assessment of the internal quality control system. The Executive Partners are satisfied that the internal quality control system is operating effectively.

Monitoring visits

The firm is subject to regular monitoring visits by the Quality Assurance Department ("QAD") of the ICAEW. The last audit monitoring visit took place in January 2022 and the last practice assurance visit took place in April 2019. As at 30 September 2021 the firm had fifteen clients that fell within the remit of inspection by the FRC's Audit Quality Review Team (AQRT). A review by the AQRT took place from January 2019, with a report being issued in July 2019. The latest review by AQRT is in progress.

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 April 2021.

Public Interest Entities

During the year ended 30 September 2021 the firm acted as auditor to the following clients which fall within the definition of a Public Interest Entity (PIE) as defined by the FRC following the implementation of the EU Audit Directive in June 2016.

- B3 Living
- Birmingham Bank Limited (formerly Bira Bank Limited)
- Bromford Housing Group Limited
- ClwydAlyn Housing Association (PenArian Housing Finance plc)
- Citizen Housing Group Limited (Citizen Treasury plc)
- Grand Union Housing Group (Grand Union Funding plc)
- Karbon Homes Limited
- Lincolnshire Housing Partnership (Boston Mayflower Finance plc)
- Methodist Chapel Aid Limited
- Monarch Assurance SE (formerly Monarch Assurance plc) (resigned as auditor 10 September 2021)
- Saxon Weald (Saxon Weald Capital plc)
- Thrive Homes (Thrive Homes Finance plc)

We have been appointed to act as auditor to the following clients commencing from reporting period 31 March 2022:

- Housing 21
- Wallsall Housing Group Limited (WHG Treasury plc)
- The Wrekin Housing Group
- Yorkshire Housing Group (Yorkshire Housing Finance plc)

We are also appointed as auditor to Capital for Colleagues plc a company listed on the AQSE Growth Market (formerly NEX Growth Market), market capital is less than £200m.

Independence procedures

All partners and staff are required to complete annual declarations of Fit, Proper, Confidentiality and Independence which are reviewed by Sue Hutchinson, the Audit Compliance Partner. The forms are also completed during the year by any person joining the firm. 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 Sue Hutchinson.

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 Sue Hutchinson and the database is updated accordingly.

Sue Hutchinson 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 the firm's audit planning process, prior to the commencement of each audit, the firm's independence is reviewed. This includes consideration of whether any non-audit services provided by the firm to audit clients may impact on its actual or perceived independence. This review is updated again, before the audit opinion is issued.

The firm's Audit Policies and Procedures require rotation of audit partners in line with the FRC's Ethical Standards. This includes no audit partner on a Public Interest Entity or other listed entity engagement being permitted to act in this capacity for a period exceeding five years, and additional safeguards being applied where an audit partner has acted in this role for a period of ten years or more on any other engagement.

The firm's Audit Policies and Procedures set out certain criteria where an engagement quality control review is required. This includes all PIE audits and consideration is also given to review requirements for newly appointed Responsible Individuals and employee Responsible Individuals.

As part of the firm's annual internal compliance procedures, it is confirmed 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 2021 and the preceding financial year.

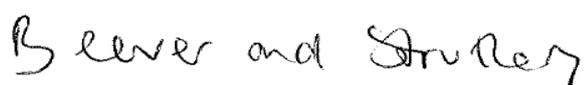
Analysis of revenue for the year ended 30 September	2021	2020
	£m	£m
Revenue from the audit of Public Interest Entities	0.666	0.447
Revenue from other statutory audit work	5,028	4.182
Revenue from non-audit services provided to audit clients	1.317	1.163
Revenue from non-audit services provided to non-audit clients	5.864	5.654
Total revenue	12.875	11.446

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.

This report covers the firm's financial year to 30 September 2021.

**Beever and Struthers**