

TRANSPARENCY REPORT 2022



1. REGULATORY BACKGROUND

Our 2022 Transparency Report has been prepared in accordance with the Transparency Reporting requirements set out in The Statutory Auditors (Transparency) Instrument 2008. These requirements were drawn from Article 13 of Regulation (EU) No.537/2014 and the amended Directive 2014/56/EU and subsequent to the UK's exit from the European Union have been retained as a requirement for audit firms who audit public interest entities (PIEs).

The report covers the firm's year ended 30 April 2022 and in accordance with the Transparency reporting requirements explains our leadership structure and ownership, our governance structure, the network of which we are a member, and how our internal quality and independence procedures ensure the performance of a high quality audit, together with the other matters listed in the Schedule to the Instrument.

2. INTRODUCTION FROM OUR CHAIR, GRAHAM TYLER AND OUR MANAGING PARTNER, MAUREEN PENFOLD

The world has seen many challenges and changes over the past few years, with the pandemic causing disruption to everyone's lives. While in many ways, businesses had to react quickly to navigate pressing challenges, over this time, many organisations have taken this period to stop, take a moment, and re-evaluate their role in today's world. This period of reflection has been a pivotal turning point for Moore Kingston Smith, and the pandemic years have seen us embark on a refreshed trajectory.

Writing this Transparency Report marks a new chapter for Moore Kingston Smith. Having seen significant growth and demand for our audit services, we made the decision to re-enter the PIE market. This is a significant growth opportunity for us, and we have the ambition and commitment to invest in our capabilities and resource to help drive audit quality in the mid-tier market.

Our Transparency Report reflects our intention to adopt the FRC Audit Firm Governance Code as far as it relates to a firm of our size, in addition to investing in and implementing more robust internal quality controls. As leaders of the firm we are committed to making continuous, long term improvements to our audit technical capabilities to further enhance our commitment to high quality audit.

We are part of the Moore Global network – whose goal is to become the world's most respected professional network. We believe everything we do at Moore Kingston Smith helps propel the network closer to this objective.

This year, Moore Kingston Smith launched an ambitious new growth plan and strategy which focuses on five strategic pillars - Sustainable Success, People First, Clients at our Core, One-firm Philosophy and Intelligent Innovation. These pillars are supported by a foundation of quality underpinning everything we do, with key projects in place to ensure we deliver on our plans, while continually striving for quality and excellence.

Our purpose and our vision are as follows:

- Our purpose is to create a positive impact with lasting success for our people and our clients.

Our vision is aspirational - for Moore Kingston Smith to:

- Be a leading UK challenger firm with global reach;
- Provide an inclusive, inspirational workplace to drive sustainable success across our firm, people and clients; and
- Consciously care about our environmental and social impact while considering public interest.

With these in mind, we have looked to make improvements to our business operations; investing in our people, our client service offering, our physical and digital infrastructure and our risk management procedures with a continued focus on quality and the impact we have – both as auditors and responsible business people in the global community.

Our people are our biggest asset, and our People First strategic pillar is to ensure our people feel supported, respected and empowered, with opportunities to flourish in their professional learning and personal development. We continue to invest in our People Team and infrastructure, through recruitment and specialist tools – including a new employee engagement and continuous feedback platform to help increase our understanding of our people and their views and experiences, and resourcing management software to help optimise the resource of our teams.

We have also set up several committees to help ensure that we are proactive in supporting meaningful initiatives to see true change, in areas including Inclusion and Diversity and Wellbeing. All our people are respected and valued as their true and authentic selves, and the mental wellbeing of our people is supported and prioritised. These values are reflected in our policies and we have continued to evaluate what ongoing improvements can be made to further enhance our culture and better support our people.

As a firm we continually evolve to provide a dynamic and innovative work environment. This perhaps has become most visible following the recent relocation of our City office to 9 Appold Street in Broadgate Quarter – a bustling part of the City with excellent connectivity across our 6 offices. Our new workspace is representative of the firm we are today - adaptive, collaborative, ambitious - and forms part of our growth strategy, focusing on a quality, personalised experience for our clients and our people, with a mix of collaborative spaces and AV-optimised video rooms designed for prospering in the hybrid working environment.

We continue our investment in technology to enable our people to operate and serve our clients smoothly in this ever-changing world. Several major investments in infrastructure and systems, such as migrating the whole firm to a Microsoft Teams and Office365 environment, ensure that we are best placed to operate optimally wherever our people are working. This level of investment will be ongoing – as our technology, systems, processes, and platforms are imperative to our operational efficiency, optimum client delivery and future success.

As a firm we are committed to our ESG journey and have a number of initiatives underway. We are undertaking a review of where we are currently and are in the process of setting ambitious goals for our ESG strategy. This will further evolve as we listen to our people and our client community, and we continue to make improvements and enhance quality in all areas of our business in light of this.

We have extended our Charity Partnership with the mental health charity Mind and have received a Silver Award in the Mind Work Wellbeing Index for the second year running. We are continuing to develop our Wellbeing support framework to ensure our people are well supported and have easy access to the tools and resources they need. This framework is underpinned by our commitment to maintaining an open and understanding workplace culture that encourages mental health conversations.

We launched the Moore Kingston Smith Community Foundation to support greater community engagement opportunities and broaden our collective impact. This has been extremely helpful in Moore Global's efforts to support Ukraine - and through our Foundation we have facilitated over £260,000 in donations from our member firms and individuals at Moore Kingston Smith.

We have introduced an extra day of paid leave for our people to be used for a volunteering venture, supporting our people to contribute to a cause they are passionate about. Our people continue to be generous with their time and resources to support numerous charity and community projects.

We are eager to lead Moore Kingston Smith forward on this journey and excited for future opportunities that come our way.



Maureen Penfold

This report has been approved by the Board. On their behalf, I can confirm:

- Our internal quality control systems are functioning effectively;
- Our independence practices are appropriate and have been subject to an internal compliance review; and
- We have policies and procedures in place to ensure that the continuing education of our statutory auditors meets the requirements of relevant law, regulation and professional standards.

August 2022



Graham Tyler

3. ABOUT MOORE KINGSTON SMITH

Moore Kingston Smith LLP is an accountancy practice with 74 partners across the group and 6 offices in London and the South East. The firm has a number of subsidiaries and associated businesses which provide a wide range of services developed specifically with the needs of the owners and managers of a business in mind, including corporate finance, human resources consultancy, insolvency, financial services, outsourcing, payroll, legal services, data security, cyber and data analytics.

We act for entities in many industries and sectors including large corporate businesses, public interest entities, listed companies, family businesses, charities, education, financial services, media, professional firms, property, technology and shipping. Whatever the sector, we focus on offering our clients the highest possible standard of service, based on our knowledge of the business and the industry in which it operates.

Since 2019 we have been a member of the Moore Global international network of firms. More detail about the Moore Global network is given in section 6 of this report.

Sector specialisms

Corporate client services

We have established a dedicated corporate client services department focusing on the audit reporting and tax requirements of larger and more complex corporate entities and groups, including our audits of listed and public interest entity clients.

Listed companies

We act as auditor for a number of companies with listings on the London Stock Exchange, AIM and other markets. Our Corporate Finance Department is also able to guide companies through the process to a successful flotation. Details of our audit clients with listings on the London Stock Exchange can be found in Section 9.

Non profit

Our award-winning team helps clients meet the challenges a non profit organisation faces by delivering a comprehensive range of auditing, tax, accounting and advisory services.

Entrepreneurial businesses and family business services

Our aim is to help your people and your business thrive, whether you're at the start of your evolution, well-established or looking to retire.. We've helped businesses of all shapes and sizes to overcome their obstacles and make the most of their opportunities. We help organisations tackle the big and the small, the short-term and the far-off. By drawing on a wide and specialised pool of skills, we can help support businesses in making the smart choices by taking the time to understand the organisation's business goals.

Private client

Our private client services team of more than fifty professionals offers a full range of personal tax, estate planning, private office and financial services, combining accounting, tax, legal and wealth management services.

Our values

We have a strong set of corporate values which we believe are vital to our success as a firm. This includes a firm commitment to equity, diversity and inclusion, to corporate and social responsibility and to the wellbeing of our people, including partnering with the mental health charity Mind and launching our Moore Kingston Smith Community Foundation. We also have a firm commitment to delivering a high quality audit offering and providing the best possible service to our clients.



4. OUR LEGAL STRUCTURE AND OWNERSHIP

Legal structure

Moore Kingston Smith LLP (the firm) is a limited liability partnership registered in England and Wales with the registration number OC317343. Our registered office address is 6th Floor, 9 Appold Street, London, EC2A 2AP.

Our professional activities are carried out by the firm and by our various subsidiaries and associated businesses. All statutory audit work, including audit work on Public Interest Entities, is carried out by the firm.

Ownership

The firm is owned entirely by its members, who are described as partners for the purpose of conducting its activities. At the time of writing, 33 are full equity partners and 41 are participating equity partners. At the date of writing, 71 of the firm's 74 partners are members either of the Institute of Chartered Accountants in England and Wales (ICAEW), the Association of Chartered Certified Accountants (ACCA) or the Chartered Institute of Taxation (CIOT). Two partners are qualified solicitors. 38 partners have been granted Responsible Individual (RI) status and the firm also has 3 non-partner RIs.

Regulation

As an auditor of Public Interest Entities (PIEs), the firm is subject to regulation and monitoring by the Financial Reporting Council (FRC). The firm is registered to carry out audit work in the UK by the ICAEW and therefore also subject to regular monitoring by the ICAEW's Quality Assurance Department (QAD). The firm is also registered with the Public Company Accounting Oversight Board (PCAOB) in the USA.

Certain subsidiary undertakings, Moore Kingston Smith Financial Advisers Ltd, and the subsidiary through which our corporate finance team operates, are regulated by the Financial Conduct Authority (FCA). As an Alternative Business Structure (ABS) the firm is also regulated by the Solicitors Regulation Authority (SRA). Our insolvency practice, Moore Kingston Smith & Partners LLP, is regulated by the ICAEW.

Locations

As well as our Central London offices in the City of London and the West End, we provide a full range of services from our offices in Heathrow, Redhill, Romford and St Albans. Contact details and addresses for all these locations can be found on our website.



5. OUR GOVERNANCE STRUCTURE

Governance and leadership

Key responsibility for the governance of the firm rests with the Governance Board on behalf of the partners, which includes a number of partners from various business sectors of the firm, and includes the Head of Audit and several other audit partners.

The Governance Board is constituted as follows:

- Elected Chair of Moore Kingston Smith, who acts as Chair of the Governance Board [5 year term, where two consecutive terms can be served]
- Five Elected Capital Partners - Four Year Terms [maximum two terms without a break]
- Up to two Non Executives to be appointed by the Board on annual contracts that can be renewed at the Board's discretion [maximum four year term - contract can be renewed up to three times after initial appointment]
- Rotation to be three members every two years

Current Governance Board members

Graham Tyler – Chair, Elected Chair of Moore Kingston Smith

Janice Riches – Head of Audit

Neil Finlayson – Head of Non Profit

Becky Shields – Head of Digital Transformation

Jon Sutcliffe – Partner in our City office

Darren Jordan – Partner in our St Albans office

Jeremy Horner – Independent non-executive

The Managing Partner is an ex-officio member of the Board and attends Board meetings but has no vote. The Ethics Partner, Moira Hindson, and the firm's MLRO, James Cross, attend meetings where necessary to discuss matters relating to ethics and AML respectively.

Governance Board Terms of Reference

The principal purpose of the Board is to protect the interests of the LLP and its stakeholders as a whole by monitoring the stewardship of the LLP by the Managing Partner and their team. In doing so, the Board has a duty:

- To ensure governance, integrity and the long term interest of Moore Kingston Smith is protected for the future, not just the current, Partners. In carrying out its role the Board shall recognise that there is an expectation that a leading audit firm has a public interest responsibility that is wider than the short term interests of the Partners;
- To oversee any major risk including reputational risk, and the Risk Register to ensure mitigation of risks and controls are in place; and
- To be an outward aware Board – ensuring all members are up to date with the markets Moore Kingston Smith works in, the general economy, and the profession both in the UK and internationally, and to bring to the firm's attention market changes and outside developments to ensure they are being taken into account in the firm's Strategy set by the Managing Partner.

Overall responsibility for leadership of the firm rests with the Managing Partner and the Chair. The day to day running of the firm is the responsibility of the Managing Partner, Maureen Penfold, supported by the Senior Leadership Team (SLT) which include the appointed Chief Operations Officer (COO) Dan Martine who is also as an experienced audit partner.

All partners attend monthly partners' meetings at which matters of governance and oversight are discussed.

The Risk Committee

Before accepting a new audit client, we assess them to ensure that the risks of accepting the engagement are deemed acceptable.

In cases of doubt, acceptance of the client is considered by our Risk Committee, and where doubts cannot be resolved or where a certain risk profile exists, the engagement is declined. The Risk Committee also considers situations where there may be risks of continuing to act for an existing client; for instance in the event of a major change in the client's operations.

The Risk Committee consists of experienced partners including the Head of Audit. Other partners, for instance the Ethics or Technical Partners, are included in the discussion where appropriate.

The Risk Committee reports details of the potential clients it has considered to the Managing Partner on a quarterly basis.

The firm maintains a list of criteria which trigger a mandatory referral to the Risk Committee. This includes potential new PIE or listed entity audits.

The firm is committed to delivering high quality work as well as the very best possible standards of client care and service and we therefore ensure, before accepting a particular assignment, that the relevant personnel have the appropriate specialist knowledge to perform the assignment to a high standard, as well as sufficient resources and capacity to do so.

Partner remuneration

The remuneration of partners, which involves the allocation of profit shares and is dependent on a number of factors, both subjective and objective, is set by the Managing Partner with oversight by the Governance Board, via a Sub Committee called the Partner Remuneration Oversight Board (PROB). The PROB is responsible for oversight of the reporting framework to ensure it is applied as intended. The framework consists of a base level step salary and a performance bonus and for full equity partners, a profit share from the remaining pool.

The basis of remuneration complies fully with the requirements of the FRC's Ethical Standard; partners are neither remunerated nor otherwise rewarded for cross selling of non-audit services to audit clients. The quality of audit work is also reflected in partner remuneration and poor quality audit work has a direct negative impact on an individual partner's remuneration.

An annual appraisal for each partner is conducted by the Managing Partner. All aspects of the partner's performance are discussed at the appraisal, including the quality of audit and other work performed, the quality of client service and other behavioural and operational factors.

6. MOORE GLOBAL

Moore Kingston Smith LLP is a member firm of Moore Global Network Limited, a global audit, accounting, and consulting network with 30,218 professionals spread across 114 countries.

Moore Global member and correspondent firms have a combined global revenue of \$3.564 billion. Membership is regulated by contractual agreement.

Moore's purpose is to help our people, our clients and our communities thrive, and this includes each of our member firms. Our firms are independent businesses, but our network allows them to access further specialist resources, support, expertise, and technology. Our shared resources enable firms to offer client solutions on a global scale, collaborate across sectors and service lines, and develop the next generation of leaders.

A strategic plan, led by the Moore Global Board, sets the goals for the network over the next two years.

The key areas of focus are:

- Alignment of member firms with the same core values and quality obligations, including network review and learning and development programmes, and a focus on developing our young leaders;
- A global growth strategy supported by a business plan bringing clear, defined and focused objectives;
- A focus on innovation to support member firms to embrace technology;
- Offering increased value to our firms through collaboration, communication and transparency; and
- Social ambition – our network wide strategy to deliver positive social impact in all that we do.

Moore Kingston Smith is also a member of Moore UK – a network of UK member firms. Maureen Penfold, as the Managing Partner of Moore Kingston Smith, Chairs the Moore UK Management Board.

Further details of the UK network firms are included within the Appendix.



Andy Armanino
Chair of Moore Global
Network Limited



OVER 600
LOCATIONS



112 COUNTRIES



OVER 30,000 PROFESSIONAL PEOPLE

7. OUR INTERNAL QUALITY CONTROL SYSTEM

The firm currently complies with the International Standard on Quality Control 1 (ISQC 1) and is working towards full compliance with International Standard on Quality Management standards of ISQM 1 and ISQM 2 by their effective date of 15 December 2022. The firm has performed a detailed gap analysis comparing the requirements of ISQM 1 and ISQM 2 with our existing policies and procedures. A working party, which includes two members of the Governance Board and the Chief Operating Officer as well as members of the firm's Technical Team, has been set up to ensure that the firm meets the necessary requirements in advance of the effective date.

We consider that good governance, commitment to quality, the application of ethical requirements and robust risk management procedures are critical to our success. We consider that the internal quality control system is functioning at a suitable level of effectiveness for a firm of our size and are committed to continuing improvement as a firm.

Responsibility for audit quality within the firm

Responsibility for audit quality within the firm for the year ended 30 April 2022 rested primarily with the following individuals:

- Maureen Penfold (Managing Partner)
- John Staniforth (Chair of the Technical Committee)
- Janice Riches (Head of Audit and Audit Compliance Partner)
- Tessa Park (Technical Partner)
- Moira Hindson (Ethics Partner)

The firm complies with the requirements of ISO 9001 and is regularly monitored to ensure that the required ISO standards are maintained. Each of the firm's committees, some of which are chaired by the Chair or the Managing Partner, is responsible for ensuring that the highest quality standards are met in their area, together covering every aspect of the firm.

The Governance Board, and ultimately the Managing Partner, has overall responsibility for quality control. The Managing Partner is a member of the Technical Committee and therefore directly involved in setting policies and procedures to ensure audit quality and to ensure that issues identified with the quality of our audit work are dealt with appropriately. The Ethics Partner also sits on the Technical Committee.

Day to day responsibility for audit quality control rests with the Chair of the Technical Committee, the Technical Partner and the Head of Audit, all of whom are considered to have sufficient and appropriate experience, ability and authority to perform their roles. They are supported by the firm's Technical Team, which has been expanded during the year by the recruitment of a new member with specific experience with PIEs and FRC regulation.

We believe that our internal quality control system is operating effectively.

Commitment to technical excellence

Delivering the highest standard of quality in the provision of both audit and non-audit/ additional services involves ensuring

that the firm's partners and people maintain a consistently excellent level of technical knowledge in their relevant areas of expertise. The firm's learning and development programme is discussed in more detail below.

We continue to develop our audit methodology to ensure we deliver a robust and challenging audit. This includes, where appropriate, use of technology, for instance the use of specialist software that combines artificial intelligence and machine learning with more conventional data science techniques. This allows us to complete in depth testing on the transactions that are most important in the context of audit.

Our partners and people are encouraged to discuss accounting and auditing issues with the Technical Team and are required to consider at the planning stage of an assignment whether technical issues are likely to arise.

The Technical Team is also responsible for producing regular Technical Updates and Technical Alerts which are sent out to all of our general practice team and includes all people involved in audits. These cover 'hot topics', new policies, and guidance on best practice, as well as other technical documentation which includes guides to the application of auditing and accounting standards (including IFRS), guidance on applying the UK financial reporting framework, and the firm's methodology for performing audits. Bespoke training is also provided by the Technical Team and by the Learning and Development team where required, which is discussed in more detail below.

We have established an Audit Quality Group, headed by the Chair of the Technical Committee, as a forum for discussing and recommending a resolution for emerging audit challenges. The Group includes members of the Technical Team, RIs and managers.

Audit engagement performance

The audit performance of the firm is principally monitored by the Technical Committee, which is also responsible for promulgating best practice, whether through training or other methods, such as the internal written documentation referred to above. The members of the committee comprise audit partners, directors and managers from various offices, as well as the Technical Team, the Managing Partner and the Ethics Partner.

The Technical Committee is also responsible for the firm's audit methodology, which is based on a proprietary software package, supplemented as necessary with additional material and guidance. This includes a series of mandatory templates covering matters such as our consideration of independence, our assessment of the control environment and risks of fraud, and our consideration of going concern.

A clear review hierarchy is in place for all audits and the firm has clearly documented policies and procedures in place for the performance of audit engagement partner and Engagement Quality Control (EQCR) reviews.

The firm's Audit Manual sets out the policies and procedures we have in place for performing audits, together with practical hints and tips.

8. MONITORING AUDIT PERFORMANCE

Internal monitoring

Quality control is monitored by the Technical Committee. The audit file review system aims to ensure that the work of every RI is subject to review every year. In addition, similar reviews of non-audit work are undertaken. This internal review system helps ensure that standards are met and that any issues identified can be dealt with at an early stage. The last full audit file review was undertaken for the calendar year ended 31 December 2021. The review for 2022 is currently in progress.

The reviews focus on compliance with relevant professional standards and our internal policies and procedures, as well as on the quality of the work performed. The reviews are risk focused and performed by partners and people who are independent of the office at which the RI is based and the client. An internally developed checklist is used to perform and document the reviews and each peer review team includes a member of the Technical Team to ensure that any necessary consultation can take place (for instance on whether a relevant requirement has been complied with or whether an accounting treatment has been correctly applied). In addition, other specialist reviewers are used where necessary, for instance where IFRS or charity expertise is required.

The Technical Team also provides training to all reviewers on the objective and conduct of the reviews.

The results of these reviews are considered by the Technical Committee. The Technical Committee will form a judgement as to the quality of each file reviewed and, where necessary, follow up with the relevant partners to ensure that any shortcomings are addressed.

All files are graded based on a modified 'traffic light' system. The person who conducted the peer review makes an initial recommendation of the grade which is then considered by a subcommittee of the Technical Committee. The subcommittee then makes a recommendation to the Technical Committee of the grade to be awarded. The system helps to ensure consistency of grading and that the process is free from bias.

The grades are as follows:

Green: a good file with no issues of importance.

Yellow: The file quality is acceptable, with some limited improvements required.

Amber: The file is acceptable in that issues identified do not impact the audit (or other) opinion expressed, however improvements are required and the file therefore does not meet the standard that the Firm expects.

Red: The file is unsatisfactory. The quality of the file and the nature of the work performed and conclusions reached do not support the opinion expressed on the work. Significant improvements are required to the file.

This four tier system is considered to be analogous to the 1 to 4 grading system used by the QAD and FRC. Amber and red grades are considered to be failed files.

A root cause analysis is conducted in respect of any audit file which receives a red grade. The Chair of the Technical Committee can also require a root cause analysis in respect of any audit file graded amber.

The Technical Team also tracks the grades by partner and manager and reports on these to the Managing Partner, ensuring audit quality is included as a key consideration for partner remuneration and appraisal. The Technical Team also records key themes arising from the reviews so that appropriate actions can be taken, for instance the provision of additional training or the release of appropriate guidance material.

In circumstances where work is below an acceptable standard the Chair of the Technical Committee follows up on it personally with the partner in question. The Technical Committee, together with the Managing Partner, can also impose a range of sanctions when work is not considered to be of acceptable quality. These sanctions could include, but would not necessarily be limited to, a targeted quality control review of the subsequent year's file or a quality control review of all audit files for the relevant audit engagement partner. The ultimate sanction is removal of RI status.

As noted in section 5 above, audit work which is not of an appropriate standard also negatively impacts the partner's earnings.

A review of 'whole firm procedures' is carried out annually. This is performed by the Technical Partner, reporting to our Head of Audit, using a checklist based on an ICAEW document which covers continuing professional development (CPD), independence and certain other matters.

External monitoring

As a member of the Moore Global network, the firm is subject to periodic quality reviews which are performed by an experienced external consultancy practice on behalf of the network.

As noted elsewhere in this report, the firm is subject to regular external monitoring by the Quality Assurance Department of the ICAEW. The firm's last full QAD visit took place in November 2021, although the results of this visit are yet to be finalised. As an auditor of Public Interest Entities, the firm is now also subject to external monitoring by the Financial Reporting Council (FRC). The FRC has not as yet indicated when they will undertake our first review.

As also mentioned earlier, certain of the firm's associated businesses are regulated by the Financial Conduct Authority. Our systems are accredited to conform to the provisions of ISO 9001 and are subject to regular inspections as a result of this. As an Alternative Business Structure, the firm is also regulated by the SRA.

The firm's financial statements are audited by Price Bailey LLP, Chartered Accountants.

9. PUBLIC INTEREST ENTITY AUDIT CLIENTS

During the year the firm expressed an audit opinion on the financial statements of the following public interest entities:

- Alternative Income REIT Plc (year ended 30 June 2021)
- Oxford Cannabinoid Technologies Holdings Plc (period ended 31 May 2021)
- Secured Income Fund Plc (year ended 30 June 2021)

We were also appointed as auditor to DG Innovate Plc for the year ended 31 December 2021 although we did not express an opinion on those financial statements until after the firm's year end.

In addition the firm acts for a number of audit clients listed on the Alternative Investment Market (AIM) and other exchanges such as AQUIS and TISE.

10. OUR INDEPENDENCE POLICIES AND PRACTICES

The firm maintains internal policies and procedures to ensure independence from its clients, and that any actual or potential conflicts of interest are dealt with appropriately and on a timely basis.

All our partners and people are required to complete annual declarations of their independence which are completed on a web-based form. Any circumstances which may have an effect on their independence, or any actual or potential conflict of interest are required to be flagged to the Ethics Partner who will inform the Head of Audit of any issues potentially impacting audit independence. In the event of any such circumstances an appropriate action plan is formulated in consultation with the Ethics Partner.

In addition, the firm's audit methodology requires independence to be re-assessed at the commencement of every audit. This includes consideration of whether any non-audit services provided by the firm to audit clients may have an adverse impact on our actual or perceived independence and needs to be agreed with the RI before any work is undertaken.

An additional review of audit work by an engagement quality control reviewer (EQCR) is mandatory for all PIE and other listed clients and is also required for certain other clients, for instance very large private companies and high profile charities.

Rotation of key audit partners and people is conducted in accordance with the requirements of the Ethical Standard, including rotation of audit engagement partners on listed company audits every five years and EQCRs every seven years. In addition, where a manager has been involved in the audit of a listed company for seven years or more, consultation with the Ethics Partner is required and either suitable safeguards are put in place or the manager is rotated off the audit. A register is maintained detailing how long partners and EQCRs have acted for relevant clients to ensure the rotation periods can be monitored. The firm also recommends a ten year rotation period for audit engagement partners on unlisted audit clients with other independence mitigations processes in place where, by exception, this cannot be applied.

Our independence procedures and practices are under constant internal review and are updated as necessary to take account of regulatory and professional developments, for instance any changes to the Ethical Standard or the IESBA or ICAEW Codes of Ethics.

As a member of the Moore Global network, we also update the network's Copernicus database with the details of our public interest entity and listed audit clients. Additional conflict checks are also undertaken where required by email, across the worldwide network, coordinated by Moore Global's team.



11. PEOPLE MANAGEMENT

The firm is strongly committed to a People First policy; hence the continuous development of our people to enable them to maintain their theoretical knowledge, professional skills and values to a sufficiently high level to deliver high quality audits.

Learning and development, including technical training

The firm's Learning and Development team organises both an annual programme of Continuing Professional Development and tailored learning curricula, geared to meeting the specific development needs of our people. All of our people, including audit engagement RI's, are expected to consider their development needs carefully and commit to undertaking an appropriate level of training to obtain or maintain the level of expertise they need. The level and type of training received is monitored to ensure that it is adequate and appropriate for the individuals concerned.

The training provided includes, but is not limited to:

- Developments in IFRS and UK GAAP;
- International Standards on Auditing, ethical standards and audit best practice;
- Professional scepticism;
- Corporate and personal taxation;
- Leadership development;
- People management;
- Client relationship management; and
- Broader personal development skills.

Training on general financial reporting and auditing matters is conducted at least twice a year by the Technical Team and all partners and qualified people participating in audits are required to attend. This training is supplemented where necessary by additional training on technical matters and specialist audits, such as the audits of non profit entities or pension schemes. Partners and people who participate in these specialist audits are expected to attend these additional Continuing Professional Development courses.

As an example, during the year the firm commenced the roll out of a targeted series of training courses aimed at audit engagement partners and audit personnel working on PIE, listed and large corporate audit clients. This has included training on the additional requirements of the auditing standards for PIEs and listed audits, audit documentation, and a reminder of the ethical requirements for a public interest entity or listed company. The training is provided both by appropriate specialists within the firm, including the Technical Team and tax specialists and, where appropriate, by external training providers.

Learning curricula to support both personal and professional development have been developed by the Learning and Development team to assist our people in their career progression and focus on skills, behaviour and mindset development. Our suite of personal development programmes is designed and delivered for all employees and Partners, including both those in client-facing and non client-facing roles, across all areas of the firm. These programmes are

complemented by 1-2-1 mentoring and coaching, provided by both internal and external specialists. Training is also provided on regulatory matters, e.g. Anti money laundering and anti-bribery processes and GDPR. In addition, the firm provides a structured training programme for its trainees, covering the technical and personal development skills which they will require in order to undertake high quality audit (and where relevant, non-audit) work, and to progress within the firm. All our people, not just those participating in audits, also receive ethics training on a periodic basis to ensure that they are aware of relevant ethical requirements as well as changes to the firm's policies and procedures in this area.

Finally, RIs receive additional training on approximately a quarterly basis at RI meetings where emerging issues are discussed. Root cause analysis is undertaken and the results are shared with RI's and all our people engaged in audits in addition to thematic issues that emerge in the profession.

Approval of Responsible Individuals

Internal promotions

Where an individual is proposed as a future Responsible Individual, either as a partner or an audit director, our policies and procedures require a review of a minimum of six audit files prior to any RI application being submitted to the ICAEW. This review takes place after their review of the audit file but before the audit engagement partner review. This is to ensure a thorough, objective, assessment is undertaken of their capability to act as an RI. In the event of the results of the reviews being unsatisfactory, further reviews will be undertaken and appropriate one to one training and guidance provided.

These reviews are performed by the Technical Team together with a small number of experienced audit engagement partners, with extensive experience of specialist areas, such as charities. The results of the reviews are documented and discussed with the Head of Audit who makes the ultimate decision as to whether the individual can apply to become an RI.

Once an RI application has been submitted and approved, the new RI is subject to further reviews of a minimum of their first six audit files, which are performed by the same individuals as the pre RI reviews. In this situation the review takes place after the new RI has reviewed the file. The number of files subject to review is extended in the event issues with audit quality are identified. The Head of Audit makes the final decision as to when the review process can be discontinued.

A new RI's initial audit client list is also subject to review and approval by the Head of Audit.

External hires

When the firm recruits an RI externally, the new RI is again subject to review of a minimum of their first six audit files (if they have less than five years' experience as an RI) or their first three audit files (if they are considered an 'experienced hire' with five years or more experience as an RI). These reviews are normally performed by the Technical Partner, with the decision as to when the review process can be discontinued again being made by the Head of Audit.



Our People team

Our people are our biggest asset and our people team, with the support of the Partners, lead on implementing our 'People First' strategic pillar. Our aim is to facilitate an environment whereby our people feel a strong sense of purpose and trust as well as being listened to, valued and appreciated. Being treated as an individual and a human being is at the core of our People First strategy. Our strategy is based on the premise that "one size does not fit all". We have developed and continue to develop policies and systems which support all facets of our environment. Examples include hybrid working being implemented permanently, regular live updates from our Managing Partner which regularly touch on our firmwide goals and the role that each of our people plays in achieving these. We survey our people regularly using a third-party intermediary, providing a safe space where our people can raise any concerns or challenges without fear. Well-being and inclusion are at the forefront of all our people decisions and actions. The introduction of our MKS Pick Your Perks flexible benefit platform personalises our people's reward package to meet their individual needs.

The firm has in place competency frameworks for all of our people, covering all levels from trainee to partner. These set out the characteristics that the firm expects to be met by partners and people in performing their roles.

The competency framework for partners, together with the provision of appropriate training, ensures that the requirements of International Education Standard 8 are met and that all statutory auditors receive appropriate continuing professional development.

12. FINANCIAL INFORMATION

The Transparency Regulation requires certain financial information to be provided in the firm's Transparency Report. The figures below are presented for Moore Kingston Smith LLP rather than on the basis of the group headed by the firm.

The 2022 figures stated below are as yet unaudited.

	(Unaudited) Year ended 30 April 2022 £m	Year ended 30 April 2021 £m	Year ended 30 April 2020 £m
Revenue from audit work for PIEs and subsidiaries of PIEs	0.2	-	-
Revenue from audit work for other audit clients	22.4	21	18
Revenue from permitted non-audit work for all audit clients	14.8	13	12
Revenue from non-audit work for other clients	27.8	22	26
Total	65.2	56	56





APPENDIX

Firms located in United Kingdom that performed statutory audits and were members of Moore Global during the period 1 January 2021 to 31 December 2021.

Country	Town	Firm name
United Kingdom	Corby	Moore
United Kingdom	Chichester	MOORE (South) LLP
United Kingdom	London	Moore Kingston Smith LLP
United Kingdom	Coleraine	MOORE (NI) LLP
United Kingdom	Liverpool	MOORE (NW) LLP
United Kingdom	Bath	Moore
United Kingdom	Enfield	Moore Northern Home Counties Limited
United Kingdom	Scarborough	Moore

Total statutory audit fee turnover for the year ended 31 December 2021 was GBP £24.4 million.



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