

TRANSPARENCY REPORT 2023



1. REGULATORY BACKGROUND

Our 2023 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). There has been no change in the requirements during the year.

The report covers the firm's year ended 30 April 2023 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 sheer number of external factors driving UK and global business has never been so high. The post-pandemic world was always set to pose a huge challenge for organisations, while the ongoing conflict in Ukraine and the global economic downturn has made the last 12 months particularly difficult. Despite that backdrop, Moore Kingston Smith has progressed significantly over the last 12 months, both financially and strategically.

We reflected in last year's Transparency Report that having seen substantial growth and demand for our audit services, making the decision to re-enter the PIE market marked a new chapter for Moore Kingston Smith. Over the last year that demand has continued, as has our investment in our people and infrastructure to drive audit quality and support our objective of sustainable success – along with our new partnership with Waterland Private Equity.

We intend 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, risk management and developing our audit methodology. As leaders of the firm, we are making continuous, long-term improvements to our audit technical capabilities, implementing ISQM1 and ISQM2, utilising the Moore Quality Management solution for monitoring and furthering 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. Everything we do at Moore Kingston Smith helps propel the network towards this objective.

Continuing to drive our ambitious growth plan and strategy, we focus 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 striving for excellence.

Our purpose of creating a positive impact with lasting success for our people and clients links with Moore Kingston Smith's aspirational vision to:

- be the 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 are making ongoing improvements to our business operations, by investing in our people, our solutions for clients, our physical and digital infrastructure and our risk management procedures. All with a sharp focus on quality and the impact we have – as auditors, on our client service, and responsible business people in the global community.

Sustainable success

We've set ambitious ESG goals and have several initiatives underway, such as our sustainability pillars of:

- education, people and development;
- equity, diversity and inclusion;
- the natural world;
- community care; and
- quality and transparency.

Derived from the United Nations' Sustainable Development Goals, and mirroring the commitments made through Moore Global's Social Ambition programme, the pillars define how we assess and measure our impact and form the basis of our sustainability strategy and commitments. Our Sustainability Report sets out more details with regards to our ESG goals.

Partnering with Waterland Private Equity

The professional services landscape is changing rapidly, and we want to be among those firms leading the way. Our vision is for Moore Kingston Smith to be the leading challenger firm with global reach, to ensure the sustainable success of our clients and our people.

To that end, we took the decision to partner with Waterland Private Equity, a European private equity firm and recognised market leader in helping companies achieve their growth ambitions. Waterland is funding a growth plan programme which allows us to further invest in our business, by providing new service lines and broader solutions for our clients.

The partnership will also facilitate our investment in new technologies, and strengthen our position to attract, retain and develop our people and other firms to join us – all of which helps us deliver an enhanced level of service to our clients.

Maintaining our partnership culture and model whilst having Waterland join us is a first in the UK and we believe this ensures we continue to have an environment where professionals can continue to succeed and meet their expectations.

People first

Our people will always be our greatest asset. The 'People First' strategic pillar ensures they feel supported, respected and empowered, with opportunities to flourish in their professional learning and personal development. We launched our people principles, which encapsulate the behaviour that we champion and expect from all our people, touching on areas including trust, wellbeing, accountability, realising potential and contributing to a shared vision and voice.

Taking on board feedback from our regular engagement surveys, we have introduced a refreshed and transparent approach to reward - and a flexible benefits platform that enables our people to choose the benefits that are most suitable for them.

The introduction of our new resource management software has enabled us to make data driven decisions to ensure we have the right people, with the right skills, in the right place to drive efficiency. We have continued to grow our trainee intake year on year and have successfully engaged a new tuition provider to ensure the best quality training experience for our people. This year we were announced in the Top 100 Apprenticeship Employers for the first time, ranked at number 33.

Our new whistleblowing platform provides an additional way to safeguard our culture. We continue to streamline our people related processes, utilising systems to support the smooth onboarding of an increasing number of new joiners; and to manage compliance-based training more effectively.

We have active committees supporting meaningful initiatives to make real change happen in areas including our Equity, Diversity, and Inclusion (EDI) Committee and our Wellbeing Committee, who have organised myth busting campaigns and Pride celebrations. All our people are respected and valued as their true and authentic selves, and their mental wellbeing 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. We maintained Silver in the Mind Workplace Wellbeing Index and continue to strive for improvements and are implementing their recommendations.

Clients at our core

Our people, infrastructure and solutions are focused on our clients – the lifeblood of our business. To further support this, we launched a new, firm-wide client feedback programme this year, with the aim of gathering meaningful insights from our clients and leveraging them to further improve our service.

The programme is sponsored by us and is an important pillar in our approach to client care. We use the programme to understand what is important to our clients, what their priorities are and then shape our services and solutions not only meet their needs but surpass them. Gathering these viewpoints enable us to add value to our clients, by delivering a consistently first-class service. We also use our client feedback to align our own business strategy and ensure we make client-led decisions. We utilise this feedback to analyse their needs to widen the service we offer to our clients.

One-firm philosophy

As a firm we continually evolve to provide dynamic and innovative work environments throughout our six offices – most notably the move in May 2022 to our new City headquarters at 9 Appold Street in Broadgate Quarter.

Our workspaces are representative of the firm we are today: adaptive, collaborative and ambitious.

This year we also launched our new intranet site, Herbert. Named after one of our founders, Herby (as it's affectionately known) acts as a central tool to seamlessly connect our key systems and streamlines workflows for enhanced efficiency. Our shared digital workspace keeps people well-informed and engaged, providing access to news, industry insights and regulatory material. Through team sites and document libraries, we foster a culture of knowledge sharing, teamwork and open communication, strengthening collaboration across the firm and bolstering our collective understanding. Housing essential resources for our people including HR, L&D, EDI and wellbeing, we actively support the growth and welfare of our people.

Our focus on communication and transparency includes a monthly Managing Partner Update, for all our people to attend either live or virtually. This channel enables the whole firm to come together to keep informed and up to date with firm wide events – including financial and strategic updates, introductions to new partners, new services and business offerings, and information on events and initiatives.

This year, Moore Kingston Smith celebrates our centenary, where we've focused on coming together as a firm to create a positive impact with lasting success. 'Giving 100' highlights our philanthropic spirit, while carrying the meaning of quality, always going above and beyond for our people, clients and communities. Comprising acts of kindness across 2023, we're giving back to those that make the firm what it is, as well as our local communities.

Intelligent innovation

We continue investing in technology, enabling our people to operate and serve our clients smoothly in this ever-changing world. 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 is ongoing – as technology, systems, processes, and platforms remain imperative to our operational efficiency, optimum client delivery and future success.

Security of systems and data is fundamental – we have recently obtained Cyber Essentials Plus, paving the way towards ISO270001. We also continue to invest in our cloud and AI capabilities to enhance our digital development.

Consciously caring about our environment

Charity fundraising and giving continue to be firmly part of our ongoing community commitment. We launched the Moore Kingston Smith Community Foundation as a separate Charitable Incorporated Organisation in April 2021.

This transparent practice better equips us to give more to the causes we care about as a firm and as individuals and enables us to support greater community engagement opportunities while broadening our collective impact. This has been extremely helpful in Moore Global's efforts to support Ukraine – and through our Foundation we have facilitated over £375,000 in donations from our member firms and individuals at Moore Kingston Smith. Further details can be found in our Community Foundation Annual Report.

We completed our charity partnership with the mental health charity Mind and continue 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 conversation around mental health.

St Giles was selected as the firm's new Charity Partner for 2023-2026 by a firm-wide vote. The organisation provides support across a broad range of issues with services designed to make a genuine, long-term impact on social mobility, an issue close to the heart of our people. Social mobility is also this year's priority area of focus for our Equity, Diversity and Inclusion and Charity committees.

To support our people in contributing to the causes they are passionate about, we have introduced an extra day of paid leave to be used for a volunteering venture and match fund any donations raised for charity. 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 the future opportunities that lie ahead for the people who form part of Moore Kingston Smith today and those that will join us.



Maureen Penfold



Graham Tyler

30th August 2023

This report has been approved by the Governance 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.

3. ABOUT MOORE KINGSTON SMITH

Moore Kingston Smith LLP is an accountancy practice with 79 partners across the group as at the date of publication of this report and six 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 our clients 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.

Market specialisms

Corporate client services

Our dedicated corporate client services department focuses on the audit, tax and ESG compliance and advisory services for larger and more complex corporate entities and groups, including 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 12.

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 55 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 and culture

Embedded in day-to-day life at Moore Kingston Smith are our strong corporate values and a culture of quality and care, which we believe are vital to our success as a firm. Our values live through our purpose of creating a positive impact with lasting success for our people and clients, and are clearly outlined in our aspirational vision to:

- be the 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.

Our commitment to equity, diversity and inclusion, corporate and social responsibility, and the wellbeing of our people, are key to upholding our purpose and vision, with specific examples of action highlighted within the introduction of this Transparency Report.

This year we are undertaking a brand and values project with the aim of articulating our values more clearly in the external market in Spring 2024.



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

As at 30 April 2023, the firm was 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 46 are participating equity partners. At the date of writing, 72 of the firm's 79 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. 43 partners have been granted Responsible Individual (RI) status and the firm also has 7 non-partner RIs.

Partnership agreement with Waterland

In line with our vision to be a leading challenger firm with global reach, and in response to the changes taking place in the global professional services landscape, Moore Kingston Smith secured a strategic investment partnership with Waterland, a leading European private equity fund on 30 June 2023 after obtaining full regulatory approval.

We pioneered an innovative deal structure, becoming the first professional services firm of our size to obtain private equity funding while retaining our valued limited liability partnership status and associated partnership culture. This partnership will enable us to accelerate our growth plans, enabling us to invest – in digitalisation, innovation, and people – and to take advantage of the opportunities in the market to grow by acquisition. It also enables the partners to continue to have operational control of the firm, with the Managing Partner and SLT continuing to be responsible for and to manage the audit business.

Regulation

As an auditor of Public Interest Entities (PIEs), the firm is registered by and subject to regulation and monitoring by the Financial Reporting Council (FRC) to perform PIE audits. 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 also 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

During 2023, the key responsibility for the governance of the firm rested with the Governance Board on behalf of the partners. The governance board includes 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

Governance Board members during the year

- Graham Tyler – Chair, Elected Chair of Moore Kingston Smith
- Janice Riches – Head of Audit
- Neil Finlayson – Head of Non Profit
- Becky Shields – Head of Data Transformation
- Jon Sutcliffe – Audit Partner in our City office
- Darren Jordan – Audit 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 (Moirá Hindson until 30 April 2023 – now Jonathan Seymour) 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 applicable during the year

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 recognises 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, oversight of 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.

Subsequent to the year end, the terms of reference of the Governance Board have been revised following the partnership agreement with Waterland referred to in the previous section.

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 includes the appointed Chief Operations Officer (COO) Dan Martine, Matt Meadows (Head of Corporate Finance), Ian Graham (Head of CCS) and Tim Stovold (Head of Tax). All of the SLT hold the Audit Qualification.

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.

Based on key criteria, 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 and MLRO. 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 as well as large private companies.

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, including the allocation of profit shares, is dependent on a number of factors, both subjective and objective, 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 during the year consisted 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 either by the Managing Partner or by department heads. 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 34,413 professionals spread across 112 countries.

Moore Global member and correspondent firms have a combined global revenue of \$3.945 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.



Andy Armanino
Chair of Moore Global
Network Limited

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;
- delivering quality in everything we do;
- a focus on innovation to support member firms to embrace technology;
- offering increased value to our firms through collaboration, communication and transparency; and
- our network wide strategy – 'social ambition' – 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 EU network firms are included within the Appendix.

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OVER 500
LOCATIONS



112 COUNTRIES



OVER 34,000 PROFESSIONAL PEOPLE

7. OUR INTERNAL QUALITY CONTROL SYSTEM

During the first part of the reporting year, the firm complied with the International Standard on Quality Control 1 (ISQC 1). With effect from 15 December 2022, the firm complies with International Standard on Quality Control 1 (ISQM 1).

A working party, which included members of the Governance Board and the Chief Operating Officer as well as members of the firm's Technical Team, was set up to ensure the firm met the necessary requirements in advance of the effective date. Following the effective date, the working party continues to meet on a regular basis to ensure that the ongoing requirements of ISQM 1, including the requirement for ongoing monitoring, are met.

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 2023 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)

Jonathan Seymour was appointed as Ethics Partner with effect from 1 May 2023.

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 Boards, 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 further expanded during the year.

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

Audit quality indicators

As the firm is not currently required to comply with the Audit Firm Governance Code, our Audit Quality Indicators (AQIs) are not required to be disclosed in this Transparency Report. However, as part of our commitment to quality and good governance, we are currently undertaking a project to identify audit quality indicators which may be disclosed in future transparency reports. We have identified key AQIs and are designing/amending our internal systems to gather this information from 1 May 2024.

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. During the year, the firm introduced an electronic ticketing system for requesting and responding to technical queries which enables effective allocation of technical queries within the team as well as more effective documentation of queries and their resolution on individual audit files. Going forward it will also enable training needs to be more easily identified.

The Technical Team is also responsible for producing regular Technical Updates and Technical Alerts which are sent out to all of our general practice and CCS teams and includes all people involved in audits. These cover 'hot topics', new policies, and guidance on best practice, as well as other technical documentation such as guidance on financial reporting or auditing issues, 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, and reports to the Technical Committee.

Audit engagement performance

The audit framework 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. These templates are updated where necessary as a result of changes to auditing standards, such as the implementation of the revised versions of ISA (UK) 315 and 240, and changes to firm policies and procedures.

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

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.

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 2022. The review for 2023 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 to be undertaken in respect of any audit file graded amber.

The Technical Team also tracks the grades by partner, engagement quality control reviewer (where appropriate) 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 discusses this 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. As an auditor of Public Interest Entities, the firm is also subject to external monitoring by the Financial Reporting Council (FRC). The first FRC review of firm-wide procedures has not, as yet, taken place.

As also mentioned earlier, certain of the firm's 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 to 30 April 2023, the firm expressed an audit opinion on the financial statements of the following public interest entities:

- Alternative Income REIT Plc (year ended 30 June 2022)
- Oxford Cannabinoid Technologies Holdings Plc (period ended 30 April 2022)
- Secured Income Fund Plc (year ended 30 June 2022)
- DG Innovate Plc (year ended 31 December 2022)
- Cadogan Energy Solutions Plc (year ended 31 December 2022)
- New Century VCT 2 Plc (year ended 31 December 2022)
- World Chess Plc (year ended 31 December 2022)

We were also appointed as auditors to Fandango Holdings Plc during the year, and expressed our audit opinion on the financial statements for the period ended 28 February 2023 subsequent to the firm's year end. We have also been appointed as auditors to Dispensa Group plc (formerly Zamaz plc) for the period ended 31 December 2023. Secured Income Fund plc ceased to be classified as a PIE when it delisted from the London Stock Exchange on 4 August 2023.

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. 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 RIs, 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. Partners and people who participate in these specialist audits are expected to attend these additional Continuing Professional Development courses.

The firm has continued to roll out 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 audit reports for PIE and listed companies, the additional requirements for the audit of groups, and narrative reporting requirements. 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 a periodic basis at RI meetings where emerging issues are discussed. Root cause analysis is undertaken and the results are shared with RIs 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 (RI), 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 or other relevant professional body. 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 and large corporate / listed entities. 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 performed by the same individuals as referred to above, 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 2023 figures stated below are as yet unaudited.

	(Unaudited) Year ended 30 April 20223 £m	Year ended 30 April 2022 £m	Year ended 30 April 2021 £m
Revenue from audit work for PIEs and subsidiaries of PIEs	0.6	0.2	-
Revenue from audit work for other audit clients	27.9	22.9	21
Revenue from permitted non-audit work for all audit clients	18.1	14.8	13
Revenue from non-audit work for other clients	31.8	27.8	22
Total	78.4	65.7	56



APPENDIX: MOORE GLOBAL EU MEMBER FIRMS

Country	Town	Firm name
Austria	Amstetten	Inter Wirtschaftsprüfungs GmbH
Austria	Vienna	Kroiss & Partner
Austria	Graz	MOORE BG&P Wirtschaftsprüfung GmbH
Austria	Salzburg	Moore Interaudit Wirtschaftsprüfung GmbH
Austria	Salzburg	Moore Salzburg GmbH
Austria	Linz	Moore SKZ Wirtschaftsprüfung GmbH
Austria	Innsbruck	Moore SSK
Belgium	Brussels	Moore Belgium
Bulgaria	Sofia	Moore Bulgaria Audit OOD
Croatia	Zagreb	Moore Audit Zagreb
Croatia	Varaždin	Moore Revidens d.o.o
Cyprus	Limassol	Moore Limassol Limited
Cyprus	Nicosia	Moore Stylianou & Co
Czech Republic	Prague	Moore Czech Republic
Denmark	Copenhagen	Moore Denmark
Finland	Tampere	Moore Rewinet Oy
France	Paris	Coffra
Germany	Stuttgart	BW Partner
Germany	Austria	Austria
Germany	Andernach	Hilger, Neumann & Partner** Mader & Peters Wirtschaftsprüfer Steuerberater Rechtsanwälte PartGmb
Germany	Hannover	PartGmb
Germany	Hamburg	Moore BRL GmbH
Germany	Austria	Austria
Germany	Frankfurt am Main	Moore Frankfurt AG
Germany	Munich	Moore INTARIA GmbH
Germany	Kassel	Moore Ludewig AG
Germany	Duisburg	Moore Rhein-Ruhr GmbH
Germany	Mannheim	Moore Treuhand Kurpfalz GmbH
Germany	Dortmund	Moore Westfalen AG
Germany	Augsburg	SONNTAG
Gibraltar	Gibraltar	Moore Stephens Limited
Greece	Piraeus	Moore
Hungary	Budapest	Moore Hungary
Ireland	Limerick	Moore

APPENDIX: MOORE GLOBAL EU MEMBER FIRMS CONTINUED

Ireland	Dublin	Moore
Italy	Reggio Emilia	Axis S.r.l
Italy	Bolzano	Bureau Plattner
Italy	Padova	DF Audit S.p.A.
Italy	Milan	Reviprof S.p.A.
Italy	Messina	TAT Audit Srl**
Lithuania	Vilnius	Moore Mackonis UAB
Luxembourg	Livange	Moore Audit SA
Malta	Birkirkara	Moore
Netherlands	Rotterdam	Moore DRV
Netherlands	Amsterdam	Moore MTH
Norway	Oslo	Moore AS
Poland	Gdańsk	Moore Polska
Portugal	Lisbon	Moore Stephens & Associados SROC
Romania	Bucharest	Moore Assurance & Advisory
Romania	Bucharest	Moore Audit One SRL
Slovakia	Bratislava	BDR spol s.r.o
Spain	Barcelona	Moore Addveris Auditores y Consultores, S.L.P
Spain	Bilbao	MOORE AMS AUDITORES, S.L.
Spain	Sevilla	Moore Auditest, S.L
Spain	Oviedo	Moore Fidelitas Auditores SL
Spain	Valencia	Moore Ibergrup SAP
Spain	Madrid	Moore Iberica de Auditoria SL
Spain	Zaragoza	Moore LP SL
Sweden	Stockholm	Moore Allegretto AB
Sweden	Göteborg	Moore KLN AB
Sweden	Malmö	Moore Malmö AB*
Sweden	Göteborg	Moore Ranby AB

*Member firms left the network during 2022

**Member firm left the network at the end of 2022

Total statutory audit fee turnover as at 31/12/22 in Euros
€135.3 million



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