



Transparency report

September 2023

Introduction

This *Transparency report* is for the year ended 31 May 2023. This report is in accordance with the transparency reporting requirements set out in The Statutory Auditors (Transparency) Instrument 2008 which is drawn from Article 13 of Regulation (EU) No.537/2014 and the amended Directive 2014/56/EU. In this report we explain the ethos of Kreston Reeves together with the required information on legal structure and governance, our international reach through Kreston Global, details on our quality controls and financial information.



In this report

About us

Our purpose is to guide our clients, colleagues, and communities to a brighter future.

In a continually evolving world we help all generations embrace change through trusted advice, support and guidance. Our passion for continued improvement ensures that we work to understand your goals, support and advise you on your journey and help you to realise your ambitions.



Our purpose is rooted in our values and our values define who we are, what we stand for, and how we behave.



Understand

We're curious, we ask and we listen. We put ourselves in our client's shoes.



Look ahead

We anticipate the future and plan for it. Embracing the benefits of change.



Make it personal

We adapt to our clients' needs. Flexing our style to get the best outcome for every situation.



Be crystal clear

We consult others and give helpful feedback. Ensuring our clients know what's going on and how it impacts them.



Be human

We invest time in building strong relationships with our clients. Have a positive 'can do' attitude and help our clients to grow.

Our vision

To make a difference and lead the way as a sustainable and socially focused adviser, known for our personal, proactive and passionate approach, creating growth opportunities in London, the South East and beyond.



Who and how we help

We help businesses, not for profit organisations, individuals and families with more than just accountancy, business and wealth advice. Whether your business is growing, well established or facing difficulties or you are looking for someone to help manage or maximise your personal finances, we can help. We also support charity or not for profit organisations in achieving strategic objectives. We are our clients' partner for advice and have an incredibly wide range of services to offer which can be viewed on our website.

Environmental, social and governance (ESG)

Our ESG commitment is central to our purpose and vision as a firm. We recognise the important role we have as a business, to act responsibly and hold ourselves accountable for creating long-lasting positive change and using business as a force for good. We also place high value on what our people care about so having a comprehensive and accountable ESG programme is of paramount importance.

We've aligned our ESG programme with four of the United Nations Sustainable Development Goals (SDG) – 'Good health and wellbeing,' 'Quality education,' 'Reduced inequalities' and 'Climate action.' We're also proud to be B Corp certified – one of only a few in our sector – reinforcing our commitment to continually improving our impact for our people, clients, suppliers, community and the environment.



Our ESG impact report

To demonstrate the way that we work towards the UN SDGs, we release an annual ESG impact report. This highlights the achievements we have made in the last year and demonstrates our future commitments to work towards a sustainable future. For more details on our commitment to these goals, and to view our ESG impact report, [please visit our ESG webpage](#).

We're carbon neutral

We understand that businesses must play an important role in helping to combat the climate crisis. We're proud to have been carbon neutral as an organisation since the end of 2021. You can read more about our climate action and goals in our latest impact report.



Kreston Reeves Foundation

The Kreston Reeves Foundation is our registered charity (registered number 1180402) run by our people for the firm's nominated charities (selected by our people on an annual basis).

The Foundation combines the efforts of our many charitable, fundraising and volunteering activities to maximise impact. It supports our SDG aims, especially within our communities of Kent, Sussex, and London, by helping charities that support children, young people, elderly people, people with disabilities, and other charities or voluntary bodies, as well as the general public.

Equality, diversity and inclusion

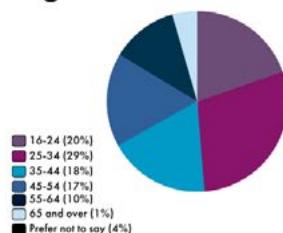
Our people are our firm – without them, we couldn't deliver the fantastic service we're known for.

- ▼ We **understand** the different experiences of our people and how these help shape our firm.
- ▼ We **look ahead** to support our people to overcome barriers and future-proof their career.
- ▼ We **make it personal** by getting to know the makeup of our firm and the individuals behind it.
- ▼ We are **crystal clear** by recognising where we need to make changes and keeping our people involved in decision-making.
- ▼ We are **human**; by looking after our people, they look after our firm.

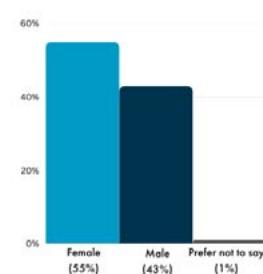
We are committed to ensuring all our people, regardless of ethnicity, gender, sexual orientation, religious beliefs, disability or age, are supported to be the very best they can be. We are committed to ensuring that all our people feel welcome, supported and equal as part of Kreston Reeves and to guiding all our people towards their brighter future.

Our people

Age



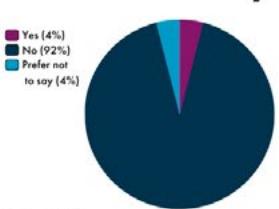
Gender



Grade



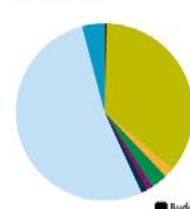
Disability



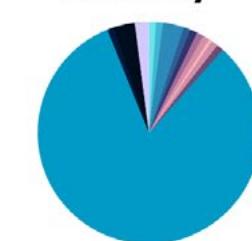
Primary carer



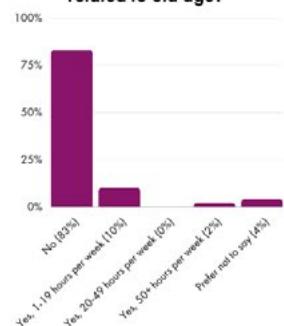
Faith



Ethnicity



Do you support anyone that has a long term physical or mental illness, disability or problem related to old age?



School

Outside the British Isles - 5%
State run (non-selective) - 52%
State run (selective) - 29%
Independent/fee-paying - 10%
Prefer not to say - 4%

Qualification

Degree level - 49%
A Level or vocational - 40%
Below A Level - 5%
No formal qualifications - 0%
Not applicable 1%
Other - 0%
Prefer not to say - 4%



Education

Legal structure and ownership

Kreston Reeves LLP is a limited liability partnership incorporated in England and Wales, registered number OC328775, registered office 37 St Margaret's Street Canterbury Kent CT1 2TU. Kreston Reeves is wholly owned by its members of which at the date of writing there are 47 commonly referred to as partners. A full list of members names is maintained at our registered office. We have 8 offices across London and the South East in:

- ▼ London Shoreditch High Street
- ▼ London Montacute Yards
- ▼ Brighton
- ▼ Canterbury
- ▼ Chatham Maritime
- ▼ Chichester
- ▼ Discovery Park Sandwich
- ▼ Horsham

Client services are delivered in service lines including:

- ▼ Accounts and outsourcing
- ▼ Audit and assurance
- ▼ Business advisory and transformation
- ▼ Corporate finance
- ▼ Forensic accounting and litigation support
- ▼ Legal services
- ▼ Payroll
- ▼ Restructuring
- ▼ Taxation



Certain services are delivered through a wholly owned subsidiary:

Kreston Reeves Private Client LLP – regulated for a range of investment business activities and licenced to carry out the reserved legal activity of non-contentious probate in England and Wales.

Global reach

We are a member of Kreston International Limited (Kreston Global).

Members of Kreston Global are separate legal entities and, as such, have no liability for the acts and omissions of any other member firm.

Our membership gives your business global coverage because we're part of the Kreston Global network. A network of innovative, like-minded accounting firms that puts trusted relationships and exceptional care at the heart of everything it does.

Kreston Global membership gives us the ability to go above and beyond for clients who have big ambitions. They draw from a global resource of over 160 quality-assured accounting firms in over 115 countries. The significant experience we have working alongside international clients is epitomised by our client care and service delivery.

The advisory services we provide span a broad range of sectors, including, but not limited to, technology, financial services, property and construction, and professional services. We focus on three core regions of the globe – Asia, Europe, and North America. Each region is headed up by a partner who is very familiar with regional issues and has a long-established relationship with local Kreston Global firms within the network.

Our breadth of knowledge and expertise enables us to provide a diverse range of guidance and regularly involves advising UK businesses that want to expand overseas and companies looking to set up subsidiaries in the UK. The advice that we provide in collaboration with our fellow Kreston Global firms is extensive and includes tax planning, VAT and Duty, and corporate finance.

There is no one-size-fits-all to our approach: We will always scale services to meet your international needs, adapting as your requirements change, always advising to give you opportunity, the best value and absolute peace of mind.

Wherever in the world your ambition takes you, our combination of expertise and empathy will help your business to meet the demands of the future.



Governance

We have a management committee which sets strategy, monitors performance and is responsible for quality. The management committee meet twice every month, firstly to consider strategic matters and secondly monitor operational arrangements and performance.

Quarterly partnership meetings are held with all members to receive reports from the management committee and discuss and vote on structural matters.

The management committee hold regular open meetings with staff on a regional basis to update on direction, performance, current issues and strategy.

Client service is delivered along service lines with key service line leaders reporting into the management committee. Regular meetings with staff are held on a regional basis by key service line leaders. Each service line has a business plan which is updated annually. The business plans are shared with staff.

The Senior Partner provides a monthly update to the entire firm on vision update, news and progress.



Quality control systems and independence



Internal quality control management

The management committee are responsible for quality assurance throughout our firm with audit quality being a prime responsibility of the Managing Partner supported by the Senior Partner and the Audit Compliance Partner.

We cultivate a culture of quality from induction training to service delivery. This ensures compliance with regulatory requirements such as for audits an annual compliance review and for all services to meet relevant professional standards.

The annual compliance review for audit includes a sample of audit files being reviewed externally for quality and regulatory compliance. The results of these reviews are shared with the relevant responsible individuals and audit teams. Common themes and learning points then inform audit training for the coming year and are delivered both internally and by external consultants.

Our Audit Compliance Partner, ACP, (as required by Audit Regulations issued by ICAEW the firm's Recognised Supervisory Body) acts as the first point of contact with the ICAEW. Our ACP also acts as the Principal Authorised Contact, PAC, as the first point of contact with the Financial Reporting Council (FRC).

We maintain an audit compliance manual supplemented by further guidance and training materials which set out in detail mandatory audit procedures. These require suitable reviews of all audit files and a second Senior Statutory Auditor (SSA) engagement quality review of all audit assignments that are not determined to be low risk.

We have appointed an Ethics Partner (EP) who has overall responsibility for policy and procedures relating to integrity, independence and compliance with the FRC's ethical standards.

We have applied robust engagement acceptance procedures for all prospective clients. This includes monitoring by a Client Acceptance Panel comprising the ACP, EP and other specialist senior partners.

Statement by the management committee on the effectiveness of our internal control system

On behalf of the Management Committee, our Managing Partner confirms that the firm's system of internal control has functioned effectively during the period of this report and to date of the approval of this report.

External monitoring

Kreston Reeves is subject to external reviews by the Quality Assurance Department of the ICAEW. The last QAD audit inspection was undertaken in 2023 with a practice assurance review undertaken. The firm is also subject to external reviews by the FRC.

Kreston Reeves has not faced any ICAEW or FRC disciplinary hearings during the year of this report or until the date of approval of this report.

The firm's financial statements are audited by Clive Owen LLP, Chartered Accountants.



Independence practices and education



Independence practices

We maintain policies and procedures that apply to all partners and staff to ensure compliance with the requirements of the ICAEW and FRC to ensure independence. These procedures include annual completion of statements of independence, confidentiality and confirmation of fit and proper status.

The internal review of independence compliance has been conducted by the EP.

Training is provided on ethical matters.

All actual and perceived threats to independence are considered by the EP, with consultation with other senior partners, documented and an appropriate action plan developed and subsequently monitored by the EP.

Independence policy also covers the rotation of SSA and senior staff on audit assignments. We apply mandatory SSA rotation after 5 years for all audits of public interest entities and other listed clients. For all other audit clients, acting as SSA for more than 10 years is reported on an annual basis to the EP who considers the risks to independence and selects appropriate safeguards where rotation is considered not necessary. Senior staff acting for an audit client for more than 10 years are required to report this to the SSA who are required to document the threats and safeguards applied.

Continuing professional development

We use a variety of external training providers and professional bodies to deliver ongoing professional education and specialist training. This is supplemented by internal lectures. There has been an ongoing focus on training in IFRS and recent changes to ISAs. All partners and staff are engaged in our appraisal system where individual professional development is a key factor.

Public interest entities (PIEs)

During the year, we carried out audits of PIEs regulated by the FRC on the following entities:

- ▼ Bisichi PLC
- ▼ London & Associated Properties PLC
- ▼ Bakers Food and Allied Workers Credit Union Limited



AIM and AQSE listed

During the year, we carried out audits on the following entities listed on AIM and AQSE:

- ▼ ADM Energy PLC
- ▼ AQRU PLC
- ▼ Bioventix PLC
- ▼ Challenger X PLC
- ▼ Clarify Pharma PLC
- ▼ Driver Group PLC
- ▼ Norman Broadbent PLC

Financial information and members remuneration

Members remuneration

Our firm's allocation committee determines members remuneration. Allocation of profits to members occurs regularly throughout the year with the final allocation of profits and distribution to members determined after the financial year end.

The selling of non-audit services to audit clients does not form part of the determination of audit partner's remuneration. Further no partner remuneration is determined on a basis that would compromise audit independence.

Analysis of revenue	2023 (£)	2022 (£)
From statutory audit work		
PIEs	156,010	112,651
Other audit clients	12,566,689	11,175,724
From non-audit services to audit clients	4,541,758	3,908,209
From non-audit services to non-audit clients	26,020,837	23,587,014
Total	43,285,294	38,783,598

Kreston Reeves

Statutory Auditor
Canterbury
September 2023

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For more than accountancy, business and wealth advice.

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Kreston Reeves have made every effort to ensure accuracy at the time of publication (September 2023). Information may be subject to legislative changes. Recipients should note that information may not reflect individual circumstances and should, therefore, not act on any information without seeking professional advice. We cannot accept any liability for actions taken or not taken as a result of the information given in this report. Kreston Reeves LLP (registered number OC328775) and Kreston Reeves Private Client LLP (registered number OC342713) both operate under the Kreston Reeves brand and are together known as "Kreston Reeves". Any reference in this communication or its attachments to "Kreston Reeves" is to be construed as a reference to the Kreston Reeves entity from which the information originates. Both entities are registered in England and Wales, and the registered office address is 37 St Margaret's Street, Canterbury CT1 2TU. Further details can be found on our website at www.krestonreeves.com. RN2 KRE.REE.0.17 10/23

