

Transparency Report

For the year ending 30 April 2018



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1. Helping our clients succeed

As the leading independent practice across the Thames Valley and Southern England, James Cowper Kreston understands the needs of a diverse range of businesses and individuals. It is central to our philosophy that clients receive the best service possible to help them succeed in achieving their objectives.

Our values are core to our approach and these are communicated to all staff. We strongly believe that focussing on our values has brought success despite recessionary times.

Our technical excellence across a wide range of our services is the envy of firms of a similar size and many larger ones.

James Cowper Kreston has continued to increase its core turnover and is well placed to continue this growth in an uncertain environment.

Our goals over the next 3-5 years are to continue on our growth path through maintaining our focus on our target sectors and niches and capitalising on all of the opportunities available to us. We will continue to position our firm in our market and promote excellence in all of our service lines and sectors. The firm recognises the talents of its personnel and the need to continually develop our people. Longer term the firm has started the process of implementing a clear succession plan for retirements over the next ten years and has promoted or recruited seven partners over the last three years.

2. Legal structure and ownership

James Cowper Kreston the trading name of James Cowper LLP. James Cowper LLP is a limited liability partnership registered in England and Wales. Registered number: OC341068 Registered office: Mill House, Overbridge Square, Hambridge Lane, Newbury, Berkshire, RG14 5UX

It is wholly owned by its members, who are commonly referred to as partners. A full list of members' names may be inspected at our registered office.

James Cowper Kreston is registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

In addition to the main LLP a number of subsidiaries operate specific services including trusteeships, corporate finance and payroll services.

James Cowper Kreston operates from 6 offices in Henley, London, Newbury, Oxford, Reading and Southampton. The firm is structured along service lines. Our principal services are;

- Accounts and Business Advisory
- Audit and Assurance
- Business Restructuring and Insolvency
- Business Tax
- Corporate Finance
- Outsourcing
- Payroll
- Private Client Tax

3. International

James Cowper Kreston is a member of Kreston International Limited. Kreston International Limited is a worldwide network of independent accountancy and advisory firms. Currently ranking as the 12th largest accounting association in the world, Kreston now covers over 100 countries providing a resource of over 21,000 professionals and support staff. Each firm is a separate and independent legal entity and as such has no liability for the acts or omissions of any other member firm.

4. Governance and management

James Cowper Kreston has a Management Committee made up of the Managing Partner, Finance Director and Partners responsible for HR, IT, Marketing and Strategy. This Management Committee meets on a monthly basis to review firm policy, budgets, strategic issues and financial matters but also conducts formal business at additional meetings as necessary. The Committee is responsible for implementing strategy as set by the Partners.

James Cowper Kreston holds quarterly Partnership meetings where any changes to structure are voted upon. Partnership direction and strategy are developed by the partnership group

The Managing Partner's appointment is voted on by the partners every three years. The Managing Partner makes an annual presentation to all employees in every business unit providing insights into the firm's strategy and operations. The Managing Partner also communicates regularly on topical issues affecting the firm via internal e-communications.

Every year, Service Line Heads set and communicate their service line strategic priorities, which are integral to our business planning process.

In determining policy, processes and procedures the firm is mindful of the drivers and indicators set out in the Financial Reporting Councils Audit Quality Framework. These are reviewed by the Management Committee on an annual basis and inform the annual compliance monitoring process.

5. Internal quality control systems

James Cowper Kreston has a risk management group made up of the Managing Partner and the Heads of Service Lines and the Audit Compliance Partner.

Reporting to the Management Committee, the role of the Committee is to;

- Protect the firm and the partners by minimising risks from all sectors.
- Act as an educator on risk issues and raise risk awareness in the firm.
- Act as a risk monitoring body for the firm and implement appropriate risk management procedures.
- Adjudicate on major risk decisions for the Partners and report to the Management Committee.
- Set appropriate criteria for measurement of risk.

As per audit regulation requirements James Cowper Kreston conducts annual cold file reviews. Each year a sample of files are chosen and reviewed by an external provider, SWAT. The results are recorded and discussed with the relevant responsible individuals and then broadcast across the firm.

Audit compliance

The Firm's Audit Compliance Partner (for the purposes of complying with Institute of Chartered Accountants in England & Wales (ICAEW) regulations) is required to ensure that the Firm has complied, and will continue to comply, with audit regulations. He is also the first point of contact with the ICAEW.

The Firm maintains an Audit Compliance Manual which sets out in detail the audit procedures which must be followed. This manual is available to all staff involved in audit assignments and regular training is provided to ensure compliance.

File reviews

All audit files are reviewed by a manager and the Senior Statutory Auditor (SSA) at both the planning and the completion stages.

A second SSA review is required on all high risk and public interest assignments and those with qualified audit reports, and before the completion of the audit report. Details of the precise criteria which require the performance of a hot review are established by the Audit Compliance Partner and Head of Business Assurance.

Cold file reviews are performed on a comprehensive basis on the Firm's high risk clients and a random sample of other clients ensuring each SSA's work is reviewed at least annually. These cold file reviews are performed independently by SWAT. Detailed reports are produced and discussed with the SSA and audit manager. A summary of the results is provided to the Management Committee and remedial action and follow-up is taken if necessary.

Statement on the effectiveness of the internal quality control system

The Management Committee considers that the internal quality control system is functioning at a suitable level of effectiveness to enable us to maintain our internal quality standards and comply with our professional and legal requirements.

6. External Monitoring

The firm is subject to regular external monitoring by the Quality Assurance Department of the ICAEW (QAD), and the Audit Quality Review team of the Financial Reporting Council (FRC). The last inspection visit by QAD was in 2016.

Rigorous procedures and controls are in place to ensure compliance with each of the firm's regulators' and legislative requirements.

James Cowper Kreston is committed to the highest standards of technical excellence and client service, but in order to mitigate any remaining risk, the firm arranges appropriate professional indemnity insurance.

7. Independence Procedures

The FRC publishes Ethical Standards which provide regulations and guidance on possible threats to integrity, objectivity and independence in the conduct of audit engagements as well as on potential safeguards which may be instituted to counteract those threats.

In respect of its responsibility as regulatory body for auditors the ICAEW publishes rules under which auditors will be regulated; the Audit Regulations.

The Firm's policies are consistent with these requirements and, in respect of audit services, are contained in the Firm's Audit Compliance Manual which all audit staff must follow.

Within James Cowper Kreston

Within the Firm, overall responsibility for compliance with the Audit Regulations rests with a partner designated as Audit Compliance Partner as described above. In accordance with the Audit Ethical Standards, an Ethics Partner has also been appointed.

Members of staff are made aware of ethical considerations on commencement of their employment and on regular courses which are provided by Mercia and SWAT.

All partners and staff complete an annual declaration of their independence and must notify the Firm of any circumstances which may affect their independence, or of any potential or actual conflicts of interest.

Acceptance and continuance of clients and engagements

Before accepting a new appointment, the SSA must consider and justify the decision to accept the appointment. In doing so the SSA will consider (amongst other areas) independence, ethics and risk issues, the Firm's expertise and resources and its ability to carry out the work, and the Firm's money laundering procedures.

Monitoring

An internal review of independence practices is included in the Annual Compliance Review which is conducted by the Audit Compliance Partner. James Cowper Kreston confirms that the Annual Compliance Review has been conducted this year.

A formal report is made to the Management Committee and any points arising are the subject of action points.

8. Professional skills and education

James Cowper Kreston contracts with Mercia and SWAT, who are specialist audit training providers, who supply regular audit training updates. All audit staff receive at least 2 days of training each year. Specific courses are also held or attended when substantial changes occur.

Appropriate training is also undertaken on a regular basis for all relevant audit staff in respect of the audits of specialist industries and sectors where specific agreed procedures are carried out or where specific other requirements exist.

Internal training is also carried out to ensure that the firm's own policies and procedures are disseminated and applied on a consistent basis.

Specialist courses are arranged for non-audit staff through a structured learning & development and appraisal system.

Routes for progression in the firm are regularly discussed and updated for appropriate staff and support given for further development.

9. Financial information

Fees for the year to 30 April 2018 are analysed below by service line, and represent an increase of 10% on the previous year.

	£000	%
Audit and assurance	6,342	38
Tax advisory	5,549	33
Corporate Finance and Advisory Services	1,473	9
Outsourcing	1,110	7
Payroll Services	1,268	8
Business Restructuring and Insolvency	793	5
	16,535	100

10. Members' remuneration

Members' remuneration is considered by an elected committee and agreed annually by the members. Profits are allocated to Members either on a Fixed or Equity sharing basis.

The firm considers that no partner remuneration is contingent upon any basis that would compromise the independence of any audit, including the sale of non-audit services.



11. Public interest entities

- Oxford Technology Venture Capital Trust
- Oxford Technology Venture Capital Trust 2
- Oxford Technology Venture Capital Trust 3
- Oxford Technology Venture Capital Trust 4
- Hygea VCT plc
- One Media Publishing Group plc
- Octopus 3 VCT plc
- Octopus 4 VCT plc
- Abzena plc
- Bioventix plc
- Cloudbuy plc
- Management Resource Solutions plc
- Hardide plc

