

Transparency Report 2011



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In accordance with the Statutory Auditors (Transparency) Instrument 2008, we are required to publish a Transparency Report, effective for accounting periods commencing on or after 6 April 2008. This is our third report, covering the year ended 30 April 2011.

Legal Structure and Ownership

Shipleys LLP ("the Firm") is a limited liability partnership incorporated in England and Wales. There are twenty two members ("principals") of the Firm, the ten designated members being its owners.

Ten principals are members of the Institute of Chartered Accountants in England & Wales, one of the Institute of Chartered Accountants in Ireland, one of the Institute of Chartered Accountants in Scotland and three are members of the Association of Chartered Certified Accountants.

Three out of the firm's four offices provide audit services and there are in total thirteen Responsible Individuals of the Firm.

The audit practice is regulated by the Institute of Chartered Accountants in England & Wales and is subject to review by its Quality Assurance Department (QAD).

AGN International Ltd

Shipleys LLP is a member of AGN International Ltd, a worldwide association of independent accounting and consulting firms, none of which are members of any international partnership or network, nor is there common ownership across the firms. AGN International Ltd has representative members in 89 countries. It is not a network as defined by the Statutory Auditors (Transparency) Instrument 2008.

Governance Structure

The Firm, whose managing principal is Ken Roberts, is governed by its principals, who are responsible for the formulation of the Firm's strategies and policies. Responsibilities are delegated to a small number of Committees, comprising principals and senior staff. These Committees make recommendations and report to the principals at regular meetings.

The decision-making process rests with the principals of the Firm.

Internal Quality Control Systems

Leadership responsibilities

Responsibility for quality assurance within the Firm rests with the Audit Technical Committee, made up of six Responsible Individuals together with senior staff from all three audit offices, chaired by the Audit Compliance Principal. Its main responsibility is to establish, implement and monitor the quality control procedures and policies of the Firm in relation to audit, non audit and other assurance assignments.

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The Firm promotes a quality control orientated internal culture at all levels of operation, and ensures compliance with professional standards and regulatory requirements.

Ethical Requirements

The Firm's Ethics Principal has overall responsibility for the Firm's policies and procedures relating to integrity, objectivity and independence, compliance with the Auditing Practices Board Ethical Standards, and effective communication and guidance of these to principals and staff.

Acceptance and continuance of client relationships

The Firm has established robust engagement acceptance procedures for all of its prospective clients, which are monitored throughout the duration of the client relationship. They include, inter alia, a clear understanding of the client's requirements, our commitment to offering the very best quality of service and an approval process that is appropriate to the perceived risk.

Human resources

Our HR team, headed by a principal, is responsible for the recruitment, training, appraisal and remuneration processes. Vigorous selection techniques are pivotal to our policies, together with continuing support at all levels for career development and progression.

Engagement performance and monitoring

The audit performance of the Firm is principally monitored by its Audit Technical Committee, which is also responsible for the creation of quality control procedures and policies within the firm and for training and dissemination of technical information throughout the audit practice. It is also responsible for internal and external reviews and monitoring, including engagement quality control and the provision of a forum for consultation on audit and other assurance engagements.

Professional skills and values

The Firm is committed to developing and maintaining the highest possible standards for all principals and staff throughout the Firm and it provides an annual programme of Continuing Professional Development, supported by regular internal and external lectures and presentations. Staff and principals will undertake work commensurate with their professional competence and expertise.

Statement on the effectiveness of our internal quality control systems

We consider that our internal quality control systems are functioning very well.

External monitoring

As noted above, the Firm is subject to regular external monitoring by the QAD. The last such review took place in March 2010.

The Firm's listed clients referred to below fall within the remit of the Audit Inspection Unit (AIU).

Public interest entities

The firm has two clients listed on an EU Regulated Market; London & St Lawrence Investment Co Plc and Worthington Group Plc, both listed on the London Stock Exchange.

Independence procedures and practices

The Firm maintains internal policies and procedures to preserve its independence and to act with integrity and objectivity.

All principals and staff are required to complete, firstly upon joining and annually thereafter, Statements of Independence and Confidentiality, as well as confirmation of Fit & Proper status. Any subsequent changes must be notified to the HR and Ethics Principals when they occur. Any occasions of actual or perceived threat or conflict of independence or any

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other ethical issues will be documented by the Ethics Principal and a plan for their elimination be formulated and acted upon. Compliance with independence procedures and practices is monitored at all stages of the audit relationship, starting at the point of client acceptance. It is then reassessed during the course of each audit or when client ownership or governance changes occur. There are strict procedures for the rotation of principals who have been acting for audit clients over a prolonged period, as required by the Ethical Standards. There are also detailed procedures for the provision of non-audit services to audit clients.

Compliance with our independence procedures is ongoing throughout the year. In addition, an internal review of independence practices within the Firm is carried out annually.

Financial Information

Turnover	2011 £'000	2010 £'000
Total turnover	13,602	13,676
From statutory audit work	2,807	3,072
From non-audit services from audit clients	1,399	1,598
	4,206	4,670
From non-audit services from non-audit clients	9,396	9,006
Total	13,602	13,676

The 2011 figures have yet to be audited

Remuneration of Principals

Profits are shared in accordance with the Members' Agreement and are determined following a performance review and assessment at a meeting of the designated members. Performance assessment includes delivery of an outstanding service to clients, technical excellence, quality and risk management, staff development and the overall contribution made to the financial success and reputation of the Firm.

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