

## **Updated Transparency report 2017**

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## Managing Director's Statement

This report is prepared in line with the objectives of the European Union's 8th Company Law Directive for transparency, the Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, the Regulation EU 537/2014, and the Cyprus Auditors Law of 2017, that harmonizes Cyprus legislation with the relevant EU directives and regulations relating to the audit profession.

Our audit firm is committed to fulfill all the requirements derived from the above-mentioned Laws that aim to promote transparency to the audit process.

## Legal Structure and Ownership

Yiallourides & Partners LTD Chartered Accountants is a private limited liability company incorporated in Cyprus with the registered office being at 4 Sotiri Tofini, 102/103 Audeh Quarters, 4102 Limassol, Cyprus. The Company's offices are situated at its registered office. The firm's major shareholder is George Yiallourides (FCA) who holds 100% of the issued Ordinary shares. Mr. Panicos holds 100% of the B class shares. The Company has three qualified Accountants as Board members as well as 31 staff members. The company adopts 31 December as its financial year.

The Firm is governed by the Board of Directors which currently consists of three members and is headed by the Managing Director.

The members of the Board are:

George Yiallourides (FCA)

Managing Director

Panicos Charalambous (FCA)

Director

Athos Malialis (FCCA)

Director

The Company currently employees:

Directors	3
Managers	3
Professional staff	26
Administration staff	2

## Internal Quality Controls

Our firm's mission is to provide to our clients' quality work with highest standards of professionalism. To achieve and maintain that level of quality we have established a framework that assures that these standards alongside the regulatory and legal requirements are met.

In summary our firms' controls are based on the following:

- Lead from the top: The management ensures that the values of the firm are well communicated and staff are well educated and in line with those. There is continuous in-house training and outsourced on technical, ethical and anti-money laundering issues amongst others.
- Quality Control System: We are following the internationally acknowledged program of PCP and follow up any updates. We have appointed one of the managers of the firm that is not involved with the actual audits to annually review and report to the BOD the correct application and functioning of our Internal Quality Control Systems.
- Application of ethical code:
  - a. Integrity
  - b. Independence and objectivity
  - c. Professionalism
  - d. Confidentiality
  - f. Application of standards
- Monitoring of staff:

The firm ensures that high caliber staff is recruited and trained in accordance to its policies and standards. The firm's recruitment goals and objectives are designed to ensure that there are sufficient well-trained personnel to provide quality service to clients at all times. Their progress is monitored by the Board and their remuneration is based on their appraisal. They attend professional training courses either organized by their professional bodies, specialised organizations and in-house professionals. Our firm is an approved Training employer for ICAEW students. All qualified staff follow up the Continuous Development program of their Body (ICAEW, ACCA) accordingly as well as of ICPAC.
- Performance of audit work:

The Board ensures that audit engagements are contacted in accordance with the guidance of International Standards on Auditing and the professional ethics. The audit reports are in accordance with the Technical Circulars of ICPAC. As a matter of procedure, an audit of a client is assigned to an experienced team which is briefed on the scope of the engagement. The team is supervised by a member of the management or Senior Management and it is ensured that such supervision is documented alongside with a regular update of procedures and standards.

Every audit upon completion is reviewed by a member of the Management team and subsequently by a board member. The results of the review are brought to the attention of the audit team.

Acceptance and continuance of client relationships before accepting any new audit engagement or deciding for the continuance of an existing engagement, the following procedures are applied:

Reviewing initially the client on:

- a. The reputation and integrity of management
- b. Its activities
- c. Possible independence matters
- d. Any other related information like excess leverage and negative publicity
- f. Possible ethical and environmental issues
- g. Pending litigations
- h. Ensure that the firm has in place before the assignment is taken over:
  - i. Adequate staff with the required experience
  - ii. Time budgets
  - iii. Specialist and other assistance if needed
  - iv. Independence of the firm for every assignment is a core factor addressed by the Board.

Our firms follow a seven-year rotation policy for key partners and staff for all audit assignments.

### **External Assurance review**

Our firm is subject to inspection by the Cyprus Public Audit Oversight Board (CyPAOB - Regulator) and by the Institute of Certified Public Accountants of Cyprus (ICPAC – Professional body).

The company will have a first visit from CyPAOB -Regulator in May 2019 and had two visits from ICPAC, the last being in May 2015.

Information on the CyPAOB and ICPAC can be found at [www.cypaob.gov.cy](http://www.cypaob.gov.cy) and [www.icpac.org.cy](http://www.icpac.org.cy) respectively.

## Public Interest Entities

Public interest Entities as defined in the 8th Directive include listed companies, credit institutions and insurance companies whose registered office is in Cyprus.

Our firm has provided audit services during 2017 only to BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC. The audit fees for annual and consolidated Financial Statements were EUR78.000 and the fees for permitted non audit services were EUR32.990

## Independence Procedures

The Company has in place those procedures to ensure that the Directors and all staff are independent from all clients and engagements.

All members of staff and the Board of Directors have to file on annually an independence. New members of staff upon joining the firm have to also make the same declaration.

## Revenue Analysis

	<b>2017</b>	<b>2016</b>
Audit	1.427k	1.385k
Tax advisory	92k	146k
Accounting	322k	268k
Other services	100k	189k

## Director's Remuneration

The Company Directors performance is reviewed and assessed on annual basis. Their performance is measured in relevance to their input in adhering the quality of the work of the departments that are responsible, their technical development, their impact in adhering the ethical and independence standards as well as the business development of the Company.