



Price Bailey LLP Transparency Report

For the year ended
31 March 2025

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Introduction from our Managing Director, Martin Clapson

There continues to be uncertainty and change in the business world and Price Bailey is not immune to these challenges. We continue to grow and adapt whilst overcoming these challenges.

Our recent report "Bridging the divide" assesses Parliament's understanding and delivery on business needs, especially in the context of economic growth. The results were interesting, and we continue to monitor the economic position and the impact it will have for both us and our clients.

Our audit business has continued to perform well, with continuing client wins and growth.

We have now fully integrated our Peterborough office which we acquired in the previous year.

As a firm, we take compliance very seriously. Our core values are embedded throughout the firm and promote the importance of quality.

We are successful because we employ good people who want to do well. Our people wish to be part of a growing, professional firm, which understands the importance of quality client servicing as well as ensuring we are compliant with appropriate laws and regulations. Because of our success a key challenge for us is complacency and ensuring we are continuing to strive for continuous improvement.

We have and will continue to develop and invest in our teams. Our flexible working arrangements which we introduced before the pandemic is called "Smart Working" and it continues to be a success, as it helps recruit and retain quality team members and supports inclusivity and diversity across the whole firm.

We continue to grow and adapt whilst overcoming challenges, striving for continuous improvement across the firm.

We recognise and support the increase in regulatory scrutiny and as a firm, we will continue to engage positively with our regulators.

Over the next year, we will strive to continue our growth and success as an Independent Owner Managed Chartered Accountancy Professional Advisory firm by striving to continuously Improve all parts of the firm including undertaking a full review of our system of quality management and continuing to invest extra resources into our audit business.



Martin Clapson,
Managing Director

The Firm

- 2.1. Price Bailey LLP is a limited liability partnership incorporated in England and Wales (registration number OC307551). It is a subsidiary of Price Bailey Group Limited, a company incorporated in England and Wales (registration number 04615377).
- 2.2. At 31 March 2025, Price Bailey LLP had 28 individual members in addition to its parent company. The majority of the individual members of Price Bailey LLP and Price Bailey Group Ltd are qualified accountants. In addition, the firm has salaried partners who are part of the leadership team.
- 2.3. Price Bailey Group is fully owned by certain members of Price Bailey LLP and by the staff through an All Employee Share Scheme.
- 2.4. Price Bailey LLP is registered by the Institute of Chartered Accountants in England and Wales (ICAEW) to carry out audit work in the UK. Details about our registration can be viewed at www.auditregister.org.uk under reference number C001098093.
- 2.5. The Price Bailey Group includes various other entities. The Group provide a wide range of accounting, audit, tax, corporate finance, corporate recovery and insolvency and similar services to businesses and individuals, mainly in the UK.
- 2.6. The firm is not a member of a national or international network. The firm is a member of the Association of Practicing Accountants (APA) a Managing Partner led Association of 20 leading UK professional and business advisory firms and internationally we are a member of IAPA, a global association of separately owned and independently managed accountancy, professional services and law firms.



Price Bailey is independently owned, with a leadership team of qualified professionals and a strong commitment to staff ownership and collaboration.





Governance

- 3.1. An appointed Governance Board of Price Bailey is also the Board of Directors for Price Bailey Group Limited. The Board is responsible for the day-to-day strategy of Price Bailey LLP, implementing policies, managing risk, quality management and overall management of the firm.
- 3.2. The members of Price Bailey LLP elect the Managing Director, for three-year terms. The Managing Director appoints the Finance Director and Chair of the Board, whilst the members of Price Bailey LLP elect the other three members of the Board for three-year terms. Both the Managing Director and other board members are eligible for re-election. There are currently six Board members.
- 3.3. The managing director was reappointed for a further three year term in the period.
- 3.4. The Board sets and communicates the firm's overall strategy, which it uses to guide decision-making and the development of the business in the medium to the longer term. The strategy is regularly reviewed.
- 3.5. The Board meets at least twelve times a year and are attended by all Board members.
- 3.6. A separate Operations Board includes the Heads of the main service lines, HR, Finance, Marketing and representation of the Governance Board. The operations Board meets 4 times a year and discusses day-to-day operational issues including business development, personnel and finances.
- 3.7. The Compliance Partner and Money Laundering Reporting Officer (MLRO) meet with the Managing Director on a quarterly basis and attend Governance Board meetings quarterly. The Compliance Partner and MLRO also present at the main partners conference in November, with an interim report to the partners in June.
- 3.8. The firm operates in a highly regulated sector and is required to meet a range of statutory regulations and requirements in order to conduct its business. These obligations arise from being a registered PIE audit firm, its membership of the ICAEW and registration with them as auditors, as well as other regulatory bodies. The Board takes compliance obligations seriously, accepting that any major failure could be critical to the business.
- 3.9. The Firm continues to monitor the changes currently being proposed concerning audit, financial reporting and corporate governance, considers any changes that need to be implemented, and responds to relevant consultations.
- 3.10. One of the key challenges faced in the year similar to many other firms is ensuring we have sufficient resource with the right skills. There has been a shortage of auditors with the right experience and knowledge. The firm continues to recruit and retain good people but has also used subcontractors to ensure we are resourced appropriately.
- 3.11. The firm has had a significant number of opportunities to tender for new audit engagements and opportunities. Before accepting any engagement or opportunity, we carefully consider whether they fit the firms risk profile and whether we have adequate expertise and resource.
- 3.12. Due to the change in the audit regulations the firm has had to review its structure. A temporary solution has been established whilst we are in the process of separating the audit business into a new entity.

Our Golden Rules guide every decision we make, ensuring accountability, professionalism, and client care at every level.



- 3.13. The Board is responsible for Performance Review, a process designed to support and appraise the senior team including partners. Grades, pay, expectations and partner profit sharing are directly linked to this review process.
- 3.14. The Board has appointed Heads of Department to each of the business segments and to each of the principal functional teams being HR, Compliance, Finance, IT and Marketing. The Heads report to the Board and their role is to manage and develop the areas, which they are responsible for within the strategy, guidelines and policies established and communicated by the Board.
- 3.15. All partners and team members are encouraged to raise any concerns with their Heads or alternatively through the Managing Director, Ethics Partner, Compliance Partner or Board Chair as appropriate to the circumstances.
- 3.16. Audit work is conducted by the Audit & Assurance department (formerly called the Corporate department) and the Audit & Assurance partners including the audit compliance partner meet monthly to discuss resourcing, compliance, and operational matters.
- 3.17. The Board and partner team strongly support the firm's values of Best Practice, Continuous Improvement, Consistency, and Value to All. These values encourage good quality work.
- 3.18. As part of the firm's policies and culture, the firm has six Golden Rules to which all partners and staff are required and expected to adhere otherwise they can face disciplinary action.

The Golden Rules are as follows:

- 1. Recognise any sign or indication of client dissatisfaction. Never cover up or turn a blind eye, and always refer to an appropriate complaints handler.
- 2. Know the boundaries within which you are expected to work and your primary objectives.
- 3. Know and respect the extent to which you are allowed to represent or commit the firm.
- 4. Be aware of the impact that your actions and decisions have on the reputation and performance of the firm.
- 5. Always be quick to refer any doubts or concerns about any performance or operating issues to a Partner or member of the Risk Management Team.
- 6. Always follow systems and guidelines set by the firm.

The Golden rules are discussed during the induction for all new staff and partners and regular reminders are provided to all staff. These Golden Rules ensure all our people operate within their authority levels and areas of knowledge.

During every annual Partner and Manager Conference the Managing Director and Compliance Partner emphasise the importance of the example they set as leaders within the firm, how all team members monitor their actions and it is important that they follow the firms policies and procedures including the Golden Rules.




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because we employ
good people who
want to do well.

Martin Clapson,
Managing Director

System of quality management

- 4.1. During the year we completed our second evaluation of our system of Quality Management in compliance with the International Standard on Quality Management (UK) 1 (ISQM 1). As part of this review we concluded that except for matters related to identified deficiencies that have a severe but not pervasive effect on the design, implementation and operation of the system of quality management, the system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved;
- 4.2. Steps have been implemented to address the deficiencies that were identified. The firm will continue to enhance and review its system of quality management to ensure we deliver high quality audits.
- 4.3. The majority of the partner team and the management board have the audit qualification and fully support the importance of maintaining audit quality throughout the firm, which is reflected in the firm's culture of completing quality work.
- 4.4. The firm has appointed an Audit Compliance Partner who evaluates the firm's quality control procedures on an annual basis, considers compliance with ISQM, reviews the feedback from the internal and external quality reviews and ensures that appropriate methodology is being used and auditing standards are being adhered to. The Audit Compliance Partner reports the findings to the Board and the partner team.
- 4.5. The firm has continued to take part in the FRC Scalebox initiative to further improve its audit quality and gain a better understanding of the expectations of the FRC.
- 4.6. The firm adopts the audit methodology and procedures manual from a reputable supplier and supplements it with additional policies and guidance as required. The Audit Compliance Partner ensures that these are updated as appropriate. Copies of all of the manuals, policies and guidance are available to all staff on the firm's intranet.
- 4.7. The firm is subject to a comprehensive programme of quality assurance reviews both internally and externally. Annually the firm's compliance team organise a programme of file reviews covering aspects of the firm's work across all of our offices these are carried out either internally or externally. The firm arranges external independent file reviews including reviews of audit work across our UK offices.



We are committed to audit quality through continuous review, transparent feedback, and a robust system of quality management.

Our audit quality remains satisfactory, with ongoing reviews driving continuous improvement and targeted training across the firm.



- 4.8. The firm we used to carry out the audit reviews in 2023 and 2024 grade the files on a traffic light system with green being satisfactory, amber being improvement needed and red significant improvement needed.
- 4.9. From the audit reviews carried out our overall grade for the firm was satisfactory (2023: satisfactory) of the files reviewed 73% (2023: 89%) were graded green and 20% (2023: 11%) improvement required and 7% (2023: 0%) significant improvement required.
- 4.10. The number of external reviews carried out increased in 2024.
- 4.11. There were some specific scope internal reviews performed in the last year looking at specific areas where we had provided training or changed the firm's policies to see how well they were adopted and if not what further training or support may be needed. These files are not graded.
- 4.12. Overall the quality of files reviewed in 2024 remained satisfactory, further progress was made with the implementation of ISA 315 and ISA 240.
- 4.13. We carried out some root cause analysis of some of the issues identified, no common significant issues were identified. Specific matters have been fed back to the relevant partner and manager and common themes have been fed back to the audit team.
- 4.14. All listed audit clients have an Engagement Quality Review (EQR) carried out by an independent Responsible Individual and in accordance with ISQM 2.
- 4.15. Where the firm has appointed a new Responsible Individual, or where a Responsible Individual has given notice of intended retirement from the firm, reviews are undertaken by another Responsible Individual prior to the audit report being signed on their audit files. This will be carried out for a period of time decided by the firm's Audit Compliance Partner which will be dependent on the number of audits they are responsible for and feedback from the reviews.
- 4.16. The results of the internal and external file reviews are fed back to the appropriate partner and manager. In addition, key learning points are fed back at team meetings. In certain circumstances a Responsible Individual's audit files may be placed under EQR if significant issues have been identified from a review, until such time the Audit Compliance Partner is comfortable, they are no longer required.

Independence Procedures

- 5.1. The Board has appointed an Ethics Partner, who advises on specific ethical issues as necessary. Guidance and updates on audit and technical issues, including ethics, is available to all teams on the firm's intranet.
- 5.2. The audit team and the Responsible Individual are required to consider any ethical threats at the beginning of the audit to ensure the firm is able to continue to be the auditor and that adequate safeguards are in place. Certain matters, set out in the firm's procedures, require consultation with the firm's Ethics Partner. Ethical issues and safeguards also have to be considered and documented again at the completion stage before the audit report is finalised.
- 5.3. On an annual basis, all staff and partners are required to declare their independence and fit and proper status. This includes confirmation that they do not hold any shares or other interests in any audit clients. All responses are reviewed. In addition, compliance with the firm's ethical policies is reviewed as part of the annual file review process.
- 5.4. The partners also receive an update on any changes to the requirements in an annual report prepared and presented by the firm's Compliance Partner.
- 5.5. An annual internal review of independence was conducted in the year.
- 5.6. Compulsory ethics training was carried out in the year which all qualified staff had to attend. We also carried out training on the revisions to the ethical standard which was effective from 15 December 2024.

Ethics and independence are embedded in our culture, with rigorous checks, mandatory training, and clear accountability at every level.



Professional skills and training

- 6.1. The firm ensures that all qualified staff undertake relevant Continuing Professional Development (CPD) training including audit training. The training is provided either in person by an external provider, online or inhouse depending on the training.
- 6.2. Those working in specialist areas will attend specialist conferences and training.
- 6.3. If there are any particular learning points identified as part of our file reviews, these are covered either in the main CPD programme or through in house training. The CPD programme also covers specialist areas/sectors as required.
- 6.4. The firm also runs with external support for our Stepstone and Stepahead programmes, which focus on practical training and personal development at different stages of development, from trainee to leaders within the firm.
- 6.5. The CPD records for the firm's Responsible Individuals are monitored to ensure that they have attended appropriate CPD courses. A specific update course was held for Responsible Individuals and those who will be looking to become Responsible individuals in the next 12-18 months.
- 6.6. We are monitoring CPD for relevant staff and partners as required under the new ICAEW CPD requirements.
- 6.7. All staff and partners have a review/appraisal meeting. As part of this meeting training needs are discussed and agreed, as well as any feedback on specific job performance for the audit team.

We invest in continuous professional development at every level, ensuring our people grow with the firm and stay ahead of evolving standards.

Policy on rotation of key audit partners and staff



- 7.1. For all listed clients the Responsible Individual is rotated after 5 years and the Engagement Quality Reviewer (EQR) does not act for more than 7 years. There is a cooling off period of at least 5 years before they can be the Responsible Individual or EQR for that client again.
- 7.2. For non-listed clients, where the audit partner has acted for the client for more than 10 years, the threats are discussed with the client and the Ethics Partner with appropriate safeguards put in place, which can consist of partner rotation, an EQR, an ethics review or cold file review. Where partner rotation takes place there is a cooling off period of at least 2 years before they can be the Responsible individual or EQR for that client again.
- 7.3. Where any senior staff are involved in the audit of a listed client for more than 7 years, or a non-listed entity for more than 10 years, the ethical threats are discussed between the ethics partner and the audit partner with safeguards put in place dependent on the particular circumstances.



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Our flexible working arrangements which we introduced before the pandemic is called “Smart Working”, and it continues to be a success, as it helps recruit and retain quality team members and supports inclusivity and diversity across the whole firm.

Martin Clapson,
Managing Director



Regulatory monitoring

- 8.1. The firm is a Tier 3 firm within the FRC's supervision regime. As we audit PIE's we are registered with the FRC as a PIE auditor under the PIE Audit Registration Regulations which came into force at the end 2022.
- 8.2. A file was selected by the FRC in 2023 and we are continuing to constructively engage with the FRC to make improvements as a result of their findings on this file.
- 8.3. The firm's last completed audit monitoring visit was from the QAD in 2024. As part of the review, 6 files were reviewed and a further file was a focused review. Four of the files were graded generally acceptable and two were noted as improvement required. There were no thematic issues identified. The QAD also performed a Practice Assurance review in June 2024.

Public interest and other UK listed entities

- 9.1. During the year ended 31 March 2025, the firm carried out statutory audits on the financial statements of the following entities:

Public interest entities (PIE)

- RCB Bonds plc
- Ajax Resources plc (we have now resigned)

UK listed companies

- | | |
|----------------------|-------------------------|
| • Angling Direct Plc | (AIM) |
| • Feedback Plc | (AIM) |
| • Oracle Power Plc | (AIM) |
| • Marula Mining Plc | (Aquis Exchange Growth) |



Partners' & Board remuneration

- 10.1. The profits from Price Bailey LLP are allocated to the members on a fixed basis and agreed annually by the Board. A bonus can be paid to the partner which is dependent on the profits of the group and whether the particular partner met their objectives. The Board's remuneration is calculated on the same basis as all other partners.
- 10.2. Audit partners' remuneration is not calculated by reference to the selling of non-audit services to audit clients.
- 10.3. Additionally, some of the partners of Price Bailey LLP and Board members are shareholders of Price Bailey Group Limited and will receive further dividends based on the profits of the group.

Financial information

11.1. For the year ended 31 March 2025 the turnover of Price Bailey LLP was as follows:

Revenues from:	£000
The statutory audit of accounts of public-interest entities and members of groups of undertakings whose parent undertaking is a public-interest entity	61
The statutory audit of accounts of other entities	14,077
Permitted non-audit services to entities that are audited by the firm	2,999
Non-audit services to other entities	24,114
	41,251

Approved by the Governance Board



Contact

Catherine Hardinge

Audit Compliance Partner

01279 712712

07799 866010

catherine.hardinge@pricebailey.co.uk

www.pricebailey.co.uk

Our Offices where we conduct audit work

Bishop's Stortford	+44 (0) 1279 755888
Cambridge	+44 (0) 1223 565035
City of London	+44 (0) 20 7065 2660
Ely	+44 (0) 1353 662892
London Baker Street	+44 (0) 20 7487 4870
London Mayfair	+44 (0) 20 3909 0480
Norwich	+44 (0) 1603 709330
Peterborough	+44 (0) 1733 343 275
Sawston	+44 (0) 1223 578787