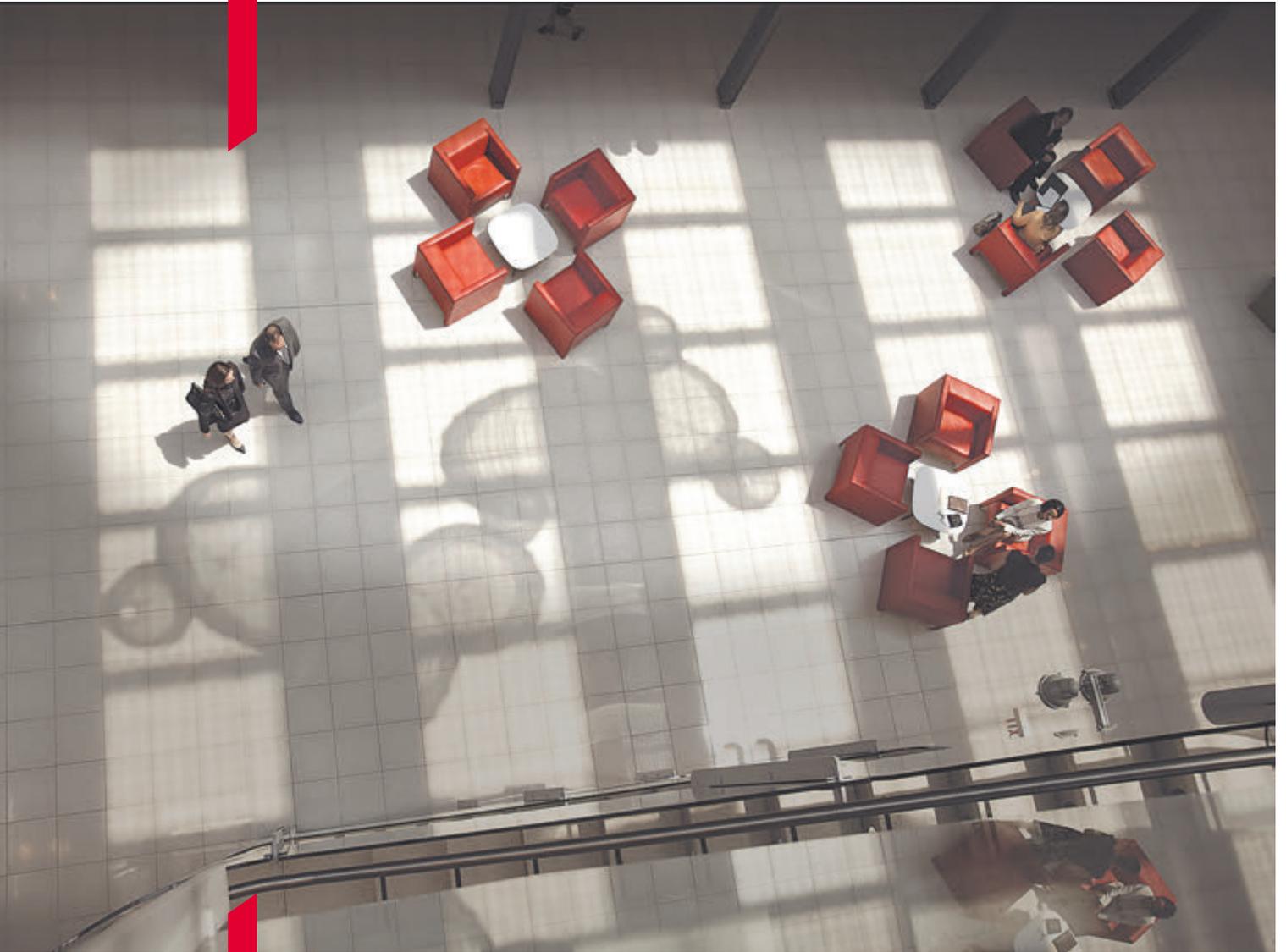


TRANSPARENCY REPORT

2015



AUDIT • TAX • ADVISORY

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MANAGING PARTNER

Introduction

I am delighted to present BDO Ireland's Transparency Report for 2015.

This report aims to set out a concise overview of how our firm operates and demonstrate who BDO is as an organisation and the standards and controls that are integral to how we operate from day to day.

Quality is important in all our services. It is, however, arguably most important for our statutory audit business. We balance a robust and rigorous approach to the audit process with practical, workable solutions.

We believe our deeply held commitment to excellence and these values will drive the firm and its clients forward.

Michael Costello



Managing Partner



1. LEGAL STRUCTURE AND OWNERSHIP

The Irish firm of BDO ("the Firm") is an Irish registered partnership formed under the Partnership Act 1890 which is wholly owned by the partners in the Firm. At 28 February 2015 there were 31 partners.

BDO employs over 300 staff and operates from offices in Dublin and Limerick. The principal services provided by the Firm are Audit, Advisory (comprising Corporate Finance, Business Restructuring and Forensic Accounting), Tax and Investment Management. These business streams have dedicated teams of partners and professional staff nationwide tailoring high quality business solutions for their clients.

The Firm also operates and controls a number of corporate entities regulated directly by the Central Bank of Ireland providing specialist financial services and advice.

2. NETWORK

BDO is a member firm of BDO International.

Description of the network

The BDO network is an international network of public accounting firms, the BDO Member Firms, which perform professional services under the name and style of BDO. BDO is the brand name for the BDO network and all BDO Member Firms. 'BDO' and 'BDO International' are trademarks of Stichting BDO. Stichting BDO is a Dutch Foundation whose registered office is in Eindhoven. The objects of the foundation are:

- to promote high standards of auditing, accountancy, financial, fiscal and business advice throughout the world by the use of the business name 'BDO' and the development of the BDO network
- to own and protect any and all rights to the name BDO its accompanying logos and styles and any other intellectual property and rights and
- to grant licenses to use the BDO name.

Legal and structural arrangements in the network

Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, either as a voting member (one per country) or a non-voting member.

The BDO network is governed by the Council, the Policy Board and the Executive (or Global Leadership Team) of BDO International Limited.

The Council comprises one representative from each voting member of BDO International Limited. The Council approves budgets, appoints the Policy Board and approves any changes in the Articles and Regulations of BDO International Limited. The council meets annually.

The Policy Board, which is the Board of Directors of BDO International Limited, currently comprises a representative of the network's five largest member firms, whose appointment, each for a three year term, is approved by the Council. The Policy Board sets policies and priorities for

the network and oversees the work of the Global Leadership Team. The Policy Board meets at least four times a year and more if required.

The Global Leadership Team is tasked with coordinating the activities of the network on a day-to-day basis. It is headed by the CEO and comprises the Global Heads of Audit & Accounting, Tax, People, Client Service, Network Development and the International Secretary. The Global Leadership Team meets monthly.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a Belgian limited liability company with its seat in Brussels.

BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO Member Firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO Member Firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the BDO Member Firms.

The global aggregated turnover for BDO Member Firms (including their exclusive Alliances) in 155 countries for the year ended 30 September 2014 was in excess of €5.17 billion. Partner and staff numbers at 1st December 2014 were 59,428 in more than 1,328 offices.

Each BDO Member Firm is an independent legal entity and profits are not shared between member firms. All BDO Member Firm client engagements – whether for domestic work, referred work from other firms in the network, or international work sourced from non-BDO sources – are conducted in the name of the local BDO Member Firm.

Membership of the network confers certain rights on BDO Member Firms, as well as certain obligations. Rights include the use of the BDO brand, including the network name and logo, the ability to refer work to and from other BDO Member Firms and a wide range of resources. Obligations include the capability to offer the minimum core services, including accounting and auditing, taxation and specialist advisory services, and a high standard of professionalism and ethics.

An International Liaison Partner in each member firm facilitates international referrals and the smooth running of projects and relationships to ensure clients receive an integrated service. At a national level, Country Co-ordinating Partners provide in-depth knowledge of the people and issues in individual countries.

3. THE GOVERNANCE STRUCTURE OF THE IRISH FIRM

The Firm is committed to the implementation and application of the highest standards of corporate governance. The audit function is an integrated part of the Firm and is subject to the same governance structure as all other business segments of the Firm.

The Firm is led by the Managing Partner who is elected by the partners and serves a three year term. The Managing Partner is responsible for developing and implementing the policies and strategies of the Firm and for its direction and management. He is responsible to the partners of the Firm and provides regular business updates on strategy and development to all partners at monthly meetings.

Along with the Managing Partner there are a number of other bodies which deal with key aspects of governance within the Firm which are:

- the Leadership Team
- the Partnership Committee
- the Evaluation Committee

Leadership Team:

The composition of the Leadership Team is identified by the Managing Partner and is comprised of the Managing Partner, and the Head of each of the three internal Business Units. The committee is supplemented on an ad hoc basis by the Finance Partner.

The function of the Leadership Team is to assist the Managing Partner in developing and implementing the policies and strategies of the Firm and meets on a monthly basis. It is responsible for day to day management of the Firm and for:

- Risk management, compliance and internal quality assurance matters.
- Primary responsibility for setting and monitoring adherence to the firm's financial budgets.
- Ongoing financial management including partners' earnings, drawing and capital funding.
- HR policy and procedures.
- Business development initiatives.
- Support other operational matters including issues arising within the support teams covering finance, HR, marketing, IT and facilities.

Partnership Committee:

The Partnership Committee comprises five partners, being the Managing Partner, three partners elected by the partners, and one partner nominated by the Operations Committee and the members serve for a two year period.

The Partnership Committee meets on an ad-hoc basis and is responsible for partnership matters including the appointment and removal of partners, development of new business areas and cessation of existing business streams including any potential mergers or business acquisitions, appointment of the Managing Partner and changes in the partnership agreement.

Evaluation Committee:

This Evaluation Committee comprises the Managing Partner together with four partners elected by the partnership and the members of this committee serve for a two year period.

The function of the Evaluation Committee is to review the partner's contribution to the Firm and against specific criteria including quality of client service, staff management and development and contributing towards the financial success of the Firm. The Evaluation Committee is also responsible for recommending, subject to a vote of the overall Partnership, the distribution of the Profit of the Firm in accordance with the Partnership agreement.

4. INTERNAL QUALITY CONTROL SYSTEM

The primary goal of BDO is to provide the highest quality of service in accordance with the standards of the public accounting profession. To accomplish this, the Firm has developed policies and procedures that ensure that the work carried out is of uniformly high quality.

The implementation of the Firm's quality control policies and procedures are vital to preserving the Firm's reputation, fulfilling its position of public trust and maintaining the high standard of our performance.

The Firm complies with the International Standard on Quality Control (UK and Ireland) 1 ("ISQC 1") which requires that the Firm has in place an appropriate system of quality control for audits and reviews of financial statements, and other assurance and related services engagements. The Firm's systems reflect the Firm's ambition to provide an unrivalled service to its clients and to meet the requirements of Irish law and professional standards issued by Chartered Accountants Ireland ("CAI") and overseas regulators, where relevant.

The Firm recognises that risk is an inherent part of conducting business and that managing this risk is a critical element of its operations. The internal control system is, however, designed to manage the risk of failure rather than eliminate it entirely: it provides reasonable, but not absolute, assurance against any material misstatement or loss.

The Firm's system of internal quality control is designed to provide reasonable assurance that the Firm, its partners and staff comply with professional standards and regulatory and legal requirements, work is performed to a consistently high standard and that reports issued by the Firm are appropriate.

The Firm's system of internal quality control can be split into the following elements:

- leadership responsibilities for quality within the Firm
- ethical requirements
- acceptance and continuance of client relationships and specific engagements
- human resources
- engagement performance
- monitoring.

(a) Leadership responsibilities for quality

Quality control is dependent upon an organisational structure which is inherently sound and which clearly defines the responsibilities of the various levels of management.

The Managing Partner / the Leadership Team and the whole Firm are committed to quality work, the public interest and professional judgement and values.

The Managing Partner has ultimate responsibility for the Firm's quality control systems across all disciplines within the Firm. He is assisted with this task by the Firm's Leadership Team who are committed to quality and have instilled within the Firm a culture based on professional and ethical values.

The firm has clearly established responsibilities for the Managing Partner,

Senior Partners and other senior personnel. The Managing Partner and the Senior Partners are members of the Firm's Leadership Team which devises and implements the Firm's business strategy and manages operational issues.

Along with the Firm's Leadership Team, the Head of Risk Management and the Firm's Audit Compliance Partner reinforces the appropriate 'tone at the top' through a commitment to independence training for professionals on Firm policy and professional standards and actions taken in cases of non-compliance with such policies.

(b) Ethical requirements

The integrity of the Firm, and all members of the Firm, is paramount to the protection of the Firm's reputation and is a major contributing factor to the continued success of the Firm.

The Firm has established policies and procedures that provide reasonable assurance that professional personnel at all organisational levels maintain independence in both fact and appearance according to professional standards, and perform their professional responsibilities with integrity and objectivity.

The Firm's initial guidance on independence is included in the Employee Handbook which is provided on hiring to all new staff members. The Firm is bound by the ethical requirements of CAI, which incorporates guidance on Integrity, Objectivity and Independence, together with the Ethical Standards issued by the Auditing Practices Board and, where relevant, overseas regulators.

Annual declarations are made by all partners and staff to monitor compliance with relevant ethical requirements.

The firm's Ethics Partner is responsible for providing guidance and support on the application of ethical standards to ensure that our professional objectivity and independence is maintained.

(c) Acceptance and continuance of client relationships and specific engagements

Robust client and engagement acceptance procedures play a pivotal role in the firm's ability to deliver a professional and quality service.

Policies and procedures have been established to determine whether to accept or retain a client and whether to undertake a specific assignment for that client. Prior to accepting any engagement the responsible partner undertakes a detailed evaluation to assess the risks associated with that client. This process will include:

- consideration of the client's business including its geographical spread and the industry it operates in;
- evaluation of information concerning the client, its management and its owners including obtaining evidence of the identity of the owners and officers of the business;
- considering information regarding the character and reputation of the prospective client and key personnel;
- assessment of potential independence risks and potential conflicts of interest;
- inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why we should not accept the appointment;
- assessment of our ability to serve the prospective client; and

- reviewing filings of the company, including prior year financial statements.

The acceptance of all clients requires an approval process that is appropriate to the perceived risk. All prospective client evaluations require the approval of the responsible engagement partner with high-risk clients requiring the pre-approval by the Risk Management Committee.

All continuing relationships with clients are reviewed regularly and evaluated to identify those which may require additional evaluation procedures and to identify those instances where we should consider discontinuing our association with the client.

(d) Human resources

The quality of our work is directly dependent on the quality of the individuals recruited and retained by the Firm ensuring that we have the right people with the appropriate skills and training to deliver the required services to our clients.

Human resources are therefore a critical factor in our ability to provide professional services. In order to ensure that the Firm has sufficient staff with the capabilities, competence, and ethical standards necessary to provide quality audits in accordance with professional and legal requirements we have established clear policies and procedures addressing the following areas:

- Recruitment
- Career development and progression
- Performance evaluation
- Capabilities and competence
- Forecasting of staff requirements.

Recruitment

The policies and procedures for recruitment are established to provide reasonable assurance that those employed possess the appropriate characteristics, relevant to their position and responsibilities, to enable them to deliver a high quality service and perform their duties with professional competence. The Firm seeks people with high levels of intelligence, stability, maturity, integrity, motivation, aptitude and leadership qualities.

The Firm's policies and procedures are communicated to new recruits upon joining the Firm and they are reminded throughout their time with the Firm of the Firm's commitment to delivering consistent high quality service to our clients and of the Firm's culture and values.

The hiring policies and procedures are regularly reviewed by the Partner in Charge of the HR department to determine if they are appropriate and are operating effectively. Changes, if necessary, to the quality control system are made based on the results of the review.

Career development and progression

The Firm is committed to providing individuals with the facilities to develop and maintain the highest possible standards of technical competence through its professional development program. Continuing professional education is the keystone of that effort and this commitment is carried out through a variety of formal training courses emphasising appropriate policies and procedures as well as specialised technical knowledge together with mentoring, on-the-job coaching and supervision.

Policies and procedures for the advancement of personnel are established to provide reasonable assurance that the individuals selected will have the qualifications, experience and technical competence necessary to fulfil the responsibilities they will be called on to assume. Generally there is staff progression from a trainee level to senior manager before a candidate will be considered for admission to partnership. Individuals are promoted to the next level only when they are prepared for the increased responsibilities that promotion entails.

Performance evaluation

All staff members are subject to formal performance appraisal, review and counselling on a regular basis, in order to evaluate the level of competence, monitor training and to help them reach their full potential. Performance appraisal includes a review of each individual's contribution to the quality of service(s) provided by the firm and the quality of their work.

The performance management process provides information on an individual's performance within the Firm and requires an annual evaluation of his/her prior year's performance and goal setting for future year's performance. A substantial part of the process is completed through self-evaluation, followed by a discussion with the appropriate supervisor which will include a review of the progress made on achieving the goals set at the previous evaluation together with identifying specific goals for the coming period.

Evaluations are completed on an assignment-by-assignment basis at certain levels and also on an annual basis at all levels. The factors evaluated (which may vary by level) include professional and technical competence, leadership, management, analytical and judgement skills.

Capabilities and competence

The Firm's policies and procedures for assigning personnel to engagements are designed such that only those persons having adequate technical proficiency and competence will perform the work, taking into account its size, nature and complexity.

Knowledge of an individual's technical proficiency and competency is obtained by personal knowledge of the relevant individual, reviewing evaluation forms completed by his/her superiors on previous engagements and, where necessary, discussions with his/her superiors in relation to his/her performance on previous engagements.

Forecasting of staff requirements

We recognise that ultimately it is the ability and commitment of the partners and staff that really makes a difference and enables us to deliver a quality audit. Given this, our ability to attract the right number of high quality people is of utmost importance. We predict our requirements so as to continue to service the firm's clients and provide sufficient capacity to enable our partners and staff to develop the business.

(e) Engagement performance in the Audit stream

Common approach

Our policies and procedures are designed to ensure that audits meet all applicable professional standards, regulatory requirements and that the firm issues reports that are appropriate in the circumstances. To achieve this and to ensure consistency in the approach to auditing, the firm has contributed to the development of the common BDO Audit Approach, related software tools and other standard forms of documentation. This approach is fully compliant with International Auditing Standards and these common processes are used by BDO Member Firms.

In addition, the Firm's policies and procedures require all professionals to refer to the Firm's literature, authoritative literature or other sources and consult, on a timely basis, with individuals within or outside of the

Firm, when appropriate (e.g., when dealing with complex or unusual accounting or auditing issues).

Supervision and review

The personnel responsible for the audit consist of the engagement partner and the engagement manager who are assigned responsibilities commensurate with their experience and expertise. The Firm's policies require all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner to ensure that related risks are identified and that decisions are taken by those with an appropriate level of experience. The relevant partner must also ensure that professional work is carried out efficiently and that it meets the firm's standards in all respects.

The engagement partner is responsible for finalising and signing the auditors' report on behalf of the Firm and for applying the Firm's quality control policies and processes to individual audit engagements in an appropriate manner. The responsibilities of the engagement partner would include:

- Evaluating the acceptance and retention of client(s)
- Leading the performance of audit work and its documentation ensuring that it has been carried out in accordance with the Firm's policies and procedures and the terms of engagement including being satisfied that risks have been appropriately assessed and responded to
- Resolving technical accounting and auditing matters and identifying potential problems involving unusual risks for the Firm undertaking appropriate consultation on such matters where necessary
- Ensuring compliance with the Firm's quality control procedures including being satisfied that the review and supervision procedures in place are adequate and effective
- Overall responsibility for ensuring that the work performed and evidence obtained supports the conclusions reached and that the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedures undertaken, the results of those procedures and the evidence obtained approving the form and content of the audit report
- Ensuring continuous quality improvement through challenging individuals to be proactive in their approach to the audit and applying an appropriate level of professional scepticism, and
- Assisting with staff development through mentoring and coaching of individuals.

A concurring partner review is to be performed for audits of publicly owned companies and other sensitive engagements. The concurring partner review entails a review of the audit to provide additional assurance that the engagement team addressed all critical areas and based on all the relevant facts and circumstances about which the concurring reviewer has knowledge, that audit risk has been restricted to a level acceptable to the Firm.

This concurring partner review is performed by an audit partner who is familiar with the auditing and reporting practices used during the engagement, and is knowledgeable and familiar with the client's industry, but will be independent from the client's audit team. The concurring partner will be an experienced audit partner not likely to be unduly influenced by the views of a particular engagement partner.

Consultation and support

Consultation is a key element of quality control and our culture of openness encourages consultation with experienced partners and other specialists where appropriate in order to achieve quality outcomes that properly take into account the public interest.

Our policies and procedures for consultation provide guidance on identifying situations where consultation is required, using available research facilities and resources, conducting research on technical issues, following up on advice provided by those consulted, documenting the consultation process and conclusions reached, and designating industry specialists.

(f) Monitoring of the Audit stream

Quality monitoring is an integral part of the Firm's systems and procedures in order to ensure that the Firm's internal quality control system is operating effectively and being complied with in practice. Instances of failure to meet required performance standards are treated seriously and appropriate corrective action is taken including necessary training as appropriate for the individuals concerned.

Our quality control system includes a formal annual inspection of the Firm's assurance practice by appropriately qualified senior individuals within the Firm with relevant knowledge and experience reporting directly to the Audit Compliance Partner. The purpose of these reviews is to monitor compliance with the firm's policies, procedures and standards and to ensure that the work done to arrive at an opinion, or to support advice that has been given, is both adequate and properly documented. Corrective action is taken to address any deficiencies encountered and, as part of the Firm's continuing drive towards excellence in performance, recommendations for improvements are identified and implemented.

All audit engagement partners are select for review annually as part of this process.

The review consists of reviewing, on a sample basis, the work papers and reports of selected assurance engagements and documentation of compliance with our quality control policies and procedures in other areas such as acceptance of new clients, assigning personnel to engagements, auditor independence and personnel policies.

The report on the overall results of the reviews is made to the Audit Compliance Partner for formal reporting to the Firm's Operations Committee. The Audit Compliance Partner is responsible for monitoring and documenting the implementation of and compliance with any corrective actions identified.

Evaluation of effectiveness of quality control systems

The Firm's management are satisfied that the internal quality control system outlined in this report provides the Firm with reasonable assurance regarding the effectiveness of the Firm's internal quality control system and that the audits undertaken by the Firm comply with applicable laws and regulations.

5. MONITORING OF QUALITY CONTROL

The Firm is authorised to undertake statutory audits by the Chartered Accountants Regulatory Board ("CARB"), a regulatory body of CAI. CARB is regulated by the Irish Auditing and Accounting Supervisory Authority, an independent body established under statute, which is tasked with the oversight of the regulatory work of the recognised accountancy bodies.

CARB is responsible for developing standards of professional conduct and supervising the compliance of member firms undertaking statutory audits.

The last quality review visit undertaken by CARB was finalised in 2007 and there are no open matters from this visit.

6. PUBLIC INTEREST ENTITIES

A list of public interest entities as at 28 February 2015 is set out below.

Amtrust International Underwriters Limited
 BCC Mortgages plc
 Canterbury Insurance Limited
 Diamond Finance plc
 Greenlight Reinsurance Ireland Limited
 Lifeguard Insurance (Dublin) Limited
 Pearl Finance plc
 Pine Indemnity Limited
 Provide - VR 2002 - 1 PLC
 Provide VR 2003 - 1 PLC
 Provide VR 2004 - 1 PLC
 Quartz Finance plc
 Ruby Finance plc
 Saphir Finance plc
 Silenus (European Loan Conduit No.25) Limited
 Vulcan (European Loan Conduit No.28) Limited
 UBRD Capital Limited

7. INDEPENDENCE PRACTICES AND PROCEDURES

The Firm is bound by the independence requirements of CAI which incorporates guidance on Integrity, Objectivity and Independence, together with the independence requirements issued by the Auditing Practices Board ("APB"). Compliance with the independence requirements of CAI and the APB will ensure compliance with the principles of the International Federation of Accountants Code of Ethics.

In addition to their own national code of ethics, all BDO Member Firms are required to comply with, and annually report as to their compliance with, the IFAC Code of Ethics.

The Firm has established policies and procedures designed to meet the independence requirements of CAI and the APB and ensure that personnel at all organisational levels maintain independence in both fact and appearance according to professional standards, and perform their professional responsibilities with integrity and objectivity.

The Firm's initial guidance on independence is included in the Employee Handbook and is complemented by training programmes targeting the needs of the individual partners and staff.

The Firm has in place a disciplinary structure to determine the appropriate sanction for any professional that violates the independence rules and Firm policies.

Financial, business, employment and personal relationships

Each individual is responsible for determining his/her compliance with the Firm's independence policies. The policies which the Firm has in place prohibit partners, staff and members of their immediate family holding a financial interest in an audit client or an affiliate of an audit client and also restrict individuals from entering into business relationships with any of the Firm's clients or their affiliates except in specific circumstances.

The Firm also has in place policies requiring individuals to report where any member of their immediate family or close family, or anyone with whom they have a personal relationship, has an involvement with an audit client which they consider might create a threat to the Firm's objectivity or a perceived loss of independence.

Employment relationships are rare and approval procedures are in place before any such situation can be established.

The Firm maintains a list of clients, mainly assurance clients, of which the Firm must be independent and this list may be accessed by all partners and staff. Similarly in order to perform effect enquiries to ensure that our independence on a global basis is not compromised BDO International maintains a world wide register, accessible by all BDO professionals, of BDO's clients that are restricted entities.

Long association with the audit engagement

The Firm applies partner rotation policies which are in accordance with the independence requirements of the APB. The audit engagement partner on listed audit clients rotates after five years except in exceptional circumstances where rotation can be extended to occur after seven years. Other key partners involved on audits of listed clients rotate after seven years.

The Firm's Ethics Partner must approve any proposed extension of the rotation period and additional safeguards will be put in place to ensure that our independence as auditors is not compromised.

For non-listed audit clients, the audit engagement partner will normally rotate off the audit after ten years.

Fees, remuneration and evaluation policies, litigation, gifts and hospitality

It is recognised that where fees from an audit client represent a large proportion of the total fees of the Firm a self-interest or intimidation treat may arise. In accordance with the ethical standards of the APB the Firm's policies require that where it is expected that the total fees receivable from a listed audited entity and its subsidiaries will regularly exceed 10% of the annual fee income of the Firm the Firm shall not act as the auditor of that entity and shall either resign or not stand for reappointment, as appropriate.

The Firm's policies prohibit an audit being undertaken on a contingent fee basis.

The Firm's appraisal, promotion and remuneration processes for audit staff specifically exclude objectives related to selling non-audit services to audit clients.

Those in a position to influence the conduct and outcome of the audit and their immediate family members should not accept gifts or hospitality from the audited entity, unless the value of the gift is clearly insignificant or the hospitality is reasonable in terms of its frequency, nature and cost. The Firm's policies set a limit on the value of such gifts or hospitality which may be accepted and the authorisation of the Ethics Partner is required in circumstance where the amount may exceed the set limit.

Non-audit services provided to audit clients

The Firm has policies and procedures in place to restrict the scope of services that can be provided to audit clients in accordance with the ethical rules of the APB. In respect of all non-audit services, the approval by the audit engagement partner is required before such services can be provided to ensure that the audit engagement partner is informed about any proposed engagement and has considered whether the relevant services are permitted and, if applicable, of the threats arising from the provision of the services and the safeguards to be implemented to address those threats. The Firm's policies require that the audit engagement partner considers the implications for the auditor's objectivity and independence before the engagement is accepted.

The provision and approval of non-audit services is also specifically reviewed at an engagement level as part of the Firm's annual audit file quality control reviews which involves examining a selection of audit files covering all audit partners.

Conflict of Interests

Conflict of Interests may preclude the Firm from accepting a client or an engagement. The relevant partner is responsible for the identification of possible conflicts, ensure they are managed before an engagement commences and to be alert to potential conflicts which may arise throughout the engagement. Conflict checks involve a review of the Firm's internal systems and an email to the management group requesting details of any potential conflicts with responses required within a specified time period if there is a potential conflict.

Where we are being asked to work cross border BDO's Independence Champion sends a Conflict of Interest / Independence check through the BDO Global IT conflict/Independence check tool to the relevant countries with responses going directly to the prospective engagement partner.

Any potential conflict issues identified through this process are resolved

through consultation between the parties concerned and the Ethics Partner, if required. Where appropriate we seek informed consent and if required ensure that teams, the location of those teams and servers used for the work are kept separate. Chinese walls and the use of a wall partner are other tools used to manage conflicts.

Where a conflict cannot be managed to the satisfaction of all parties then the Firm will decline to act.

Confirmations

All individuals within the Firm are required to confirm their compliance with the Firm's independence policies on commencement with the Firm and annually thereafter. The confirmation is used to evidence the individual's understanding of the Firm's policies in relation to independence matters and that they have complied with these policies. The responses to the annual declaration process are reviewed by the risk management function.

Monitoring

The annual review of the Firm's quality control system, which is undertaken by appropriately qualified senior individuals within the Firm, includes:

- Review of the independence annual confirmations of selected individuals.
- Review of compliance with the Firm's policies in relation to partner rotation.
- Review of independence questionnaires completed on audit engagements.

8. CONTINUING PROFESSIONAL DEVELOPMENT

Training and development is an ongoing process throughout an individual's career.

The Firm is committed to developing and maintaining the highest possible standards of technical competence through its professional development program and has developed a curriculum providing continuous learning for our professionals throughout their careers. For all new audit professionals, there is an induction programme covering the firm's audit approach and procedures and its organisational structure.

All qualified audit staff, including managers and partners, are required to attend mandatory and optional training courses looking at auditing, accounting, independence and ethical issues throughout the year. These courses are designed to ensure that each individual has the requisite technical and business skills to meet our clients' requirements and are complemented by on the job coaching and supervision which provides a significant aspect of their professional development. The Firm also utilises self-study programs to supplement formal classroom courses (both internal and external courses, provided by appropriate bodies including BDO International).

All staff members are responsible for ensuring they complete their relevant training program designed to assist develop the knowledge and skills which they need to successfully carry out the roles to which they are assigned and to meet their own personal development and career goals as well as satisfying their Continuing Professional Development requirements.

As part of an individual's performance appraisal, the individual together with their appropriate supervisor assess his/her professional development needs and courses or other training opportunities as well as monitoring participation in appropriate continuing professional development programmes.

9. FINANCIAL INFORMATION

The following turnover information, excluding Valued Added Tax, for the year ended 28 February 2015 has been extracted from the Firm's books and records:

	€
Audit	13,800,000
Tax	10,100,000
Advisory	12,300,000
Total	36,200,000

10. PARTNER REMUNERATION

Partners are remunerated solely out of profits of the Firm in accordance with the partnership agreement. The determination of profits of the Firm is based on the results of the Firm as a whole and is not dependent on the performance of any particular line of business or function. The final allocation of profit is made after a partner's performance has been appraised by the Partner Evaluation Committee.

The Partner Evaluation Committee assesses each partner's performance based on a number of specific criteria including quality of client service, staff management and development and contributing towards the financial success of the Firm. There is provision to make payments for exceptional performance or severance payments.

Audit partners are not remunerated by reference to the sale of non audit services to audit clients.

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business.

BDO, a partnership established under Irish Law, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent members firms.

BDO is the brand name for the BDO International network and for each of the BDO Member Firms.

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