



INSTITUTE OF CHARTERED SHIPBROKERS

Special General Meeting 22 January 2019 Recommendation of a Change of Auditors

Introduction

The Institute's financial statements have previously been audited by Moore Stephens LLP who were first appointed for the financial year 2004/05.

The Institute believes in good governance and therefore recommends a change in auditors for the financial year 2018/19, to ensure a fresh look at the financial statements.

The Institute recommends the firm haysmacintyre based on their experience and expertise as a specialist in the not for profit sector. They audit a number of leading chartered institutes and similar organisations, shown in the table on the last page.

Their fee proposal for the financial year 2018/19 is 17% lower than the Institute incurred in 2017/18.

In addition, they provide networking and collaborative opportunities with similar organisations to the Institute and their proposal is below.

The firm

haysmacintyre is a firm of chartered accountants and tax advisers based in central London, comprising of 33 partners and over 240 staff. Their fee income for the year to 31 March 2018 was £29m, having increased by 45% through organic growth over the previous four years.

Charities and not for profit specialism

With one of the largest charities and not for profit teams in the country, they have the expertise, experience and resources to manage our requirements. Charity and not for profit fees represent over 40% of their entire business and they have invested heavily in ensuring that they have strength and depth in all disciplines. The core team consists of ten compliance partners with charity and not for profit portfolios, together with partners in employment tax, direct tax and VAT who service both their not for profit and corporate client base.

MSI

haysmacintyre is a co-founder and co-owner of MSI Global Alliance (MSI), an association comprising over 250 independent legal and accounting firms operating locally in countries around the world including Singapore and Dubai. Collectively its member firms have nearly 10,000 lawyers and accountants in over 100 countries.

haysmacintyre's membership of MSI enables the firm to quickly source reliable, local expertise wherever in the world their clients are involved in doing business. Their new international desks service delivered by territory specialists connects clients to their chosen markets and MSI members around the globe, serving the needs of established international businesses and those seeking to expand internationally.

Relevant industry experience

They act for other professional bodies similar in constitution to the Institute with similar levels of income. They also act for professional bodies with overseas branches, allowing us to liaise with subsidiary auditors who have a relevant understanding of local reporting requirements. Their relationship with the Professional Associations Research Network (PARN) enables them to keep up to date and contribute to the activities of the professional bodies sector.

Expertise

Over half of their turnover arises from the provision of statutory audit services which is a much higher proportion than many firms. They have an extensive audit client base including the Institute of Chartered Accountants in England and Wales, Institute and Faculty of Actuaries, the Financial Reporting Council and the Bar Council, and therefore have the expertise to provide us with a robust and timely audit that adds value.

High quality client service

haysmacintyre was named 'Audit Team of the Year' at the 2017 British Accountancy Awards and 'Mid Team First of the Year' in 2014. They were also finalists for 'Tax Team of the Year' in the 2018 awards.

The quality of their service to their not for profit clients is best evidenced by the results of the annual Charity Finance Audit Survey. They are very proud to be ranked in the top five for 'Charity Expertise' and 'Overall Service'.

Differentiation

haysmacintyre are not for profit sector leaders with the ability to service their clients in a timely and cost efficient manner.

haysmacintyre were finalists for 'Employer of the Year' category at The British Accountancy Awards in 2015 and they are proud to be an accredited Living Wage Employer. They are dedicated to creating a diverse workplace and we know that this benefits the firm and its clients. 29% of their partners are female which is the highest ratio amongst the top 30 accountancy firms in the UK. They believe that these accolades demonstrate their ethics as a firm and employer.

Competitive fees for year round support

Their fees are fixed, subject to the required quality of supporting schedules being provided in line with the agreed timetable. The fees do not include accounts preparation services. The proposed fixed fees include the following:

- Partner attendance at planning and completion meeting with management to discuss the audit findings report and financial statements
- Invitation to our finance special interest group meetings, and our annual benchmarking survey launch
- Year round ad hoc audit and accountancy advice from audit partner and manager. Any significant extra work will be agreed and quoted up front
- All normal out of pocket expenses (travel, accommodation, subsistence) will not be recharged
- Filing of all accounts with Companies House

The table below lists some clients which are similar to the Institute:

Anatomical Society	Institute of Chartered Accountants in England and Wales
Bar Council	International Chamber of Shipping
British Ecological Society	Leadership Foundation for Higher Education
British Society for Haematology	London Higher
Chartered Institute of Building	National Federation of Women's Institutes
Chartered Institute of Environmental Health	Nursing & Midwifery Council
Chartered Institute of Internal Auditors	Physiological Society
Chartered Institute of Legal Executives	Recruitment and Employment Confederation
Chartered Institute of Library and Information Professionals	Royal Aeronautical Society
Chartered Quality Institute	Royal College of Speech & Language Therapists
European Association for Study of Obesity	Royal Institution of Naval Architects
Financial Reporting Council	Royal Society for Biology
General Chiropractic Council	Royal Society for Public Health
General Dental Council	Royal Yachting Association
General Optical Council	Society for Endocrinology
Health and Care Professions Council	Thrombosis Research Institute
ICSA	Universities UK
Institute and Faculty of Actuaries	UK Athletics