

NEXIA BT

TRANSPARENCY REPORT
For the year ended 31st December 2013



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FORWARD

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This annual transparency report is being published in accordance with the requirements of Article 18 (1) of the Accountancy Profession Act. The report provides an insight into the structures and procedures of the firm, and in particular, of its business during 2013.

We are pleased to report that 2013 has been yet another successful year for our firm. Besides nurturing our existing clients, we have secured new prestigious assignments, enhancing our growing and varied portfolio. With today's staff count we can now more than ever boast a team of specialised professionals in each of our service lines. The Nexia BT team is led by a long-serving dynamic and pro-active management team, who validly assist the partners and the firm in delivering on our quality mission.

Catering for a growing workforce requires investment. We have secured additional space in our penthouse offices, acquired new furniture, equipment and electronic practice aids. Our requirements for integration, information processing and timely production of reports induced us to invest in a new practice management software, which has integrated our client and contact databases, timesheet and time recording, billing and debt control, and accounting functions. We are confident that, as our firm continues to grow, this practice management software will provide us with the information required for management to make proper, timely and informed decisions while assisting us in keeping the administrative side of the business under control.

Mid-way through 2013, and in conjunction with the official opening of our new offices, we launched a new service line, which we called Turnkey BT. The concept aims at providing project management on complex applications and assignments that require the input from varied professions and industries. This notion can be applied in various scenarios, from expressions of interest through a tendering process and can be extended to the actual carrying out of the project assignment.

2014 started with the proud announcement of Anita Aloisio being admitted to partnership with effect from the first of January. Anita has been part of the Nexia BT family since the start of 2010, and has spearheaded the birth, growth and consolidation of the firm's specialist advisory arm. Under her guidance, this department has provided quality advice and reporting, enhancing both Anita's and Nexia BT's reputation in the industry.

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NEXIA BT



As always, our aim for 2014 is to continue working towards achieving our goal of getting things done by exceeding expectations.

March 2014

BRIAN TONNA CPA
MANAGING PARTNER

MANUEL CASTAGNA CPA
COMPLIANCE OFFICER

LEGAL STRUCTURE AND OWNERSHIP

Nexia BT is a partnership registered as an audit firm with the Maltese Accountancy Board, in terms of the Accountancy Profession Act - Registration Number AB/26/84/61. During 2013, the partners of Nexia BT were:

- Brian Tonna - Managing partner;
- Manuel Castagna - Audit partner and Compliance principal;
- Karl Cini - Tax and International Client Services partner and MLRO.

On 1st January 2014, Anita Aloisio was admitted to partnership as Specialist Advisory Services partner.

All the partners of Nexia BT are Certified Public Accountants, and have Practising Certificates in Auditing issued by the Accountancy Board.

Nexia BT also operates through related companies. The entities through which the firm operated in 2013 were the following:

- Nexia BT - Audit, assurance and taxation services;
- BT Consulting Limited - Accounting and consultancy services;
- BT International Limited - Fiduciary services;
- BTI Management Limited - Tax and international client services;
- Nexia BT Advisory Services Limited - Specialist advisory services;
- Nexia BT Consulting Limited - Accounting and consultancy services.

THE INTERNATIONAL NETWORK

Nexia BT is a member firm of Nexia International, a worldwide network of independent accounting and consulting firms. Nexia International is represented in over 100 countries worldwide and has an aggregate staff complement of over 23,000 persons.

Members within Nexia International are completely independent, and membership in Nexia International does not constitute any partnership between members.



GOVERNANCE STRUCTURE

The voting rights of Nexia BT are held by the partners. All decision making is made at partner level, and all strategic decisions are taken at partners' meetings. During 2013, there were twelve partners' meetings.

INTERNAL QUALITY CONTROL SYSTEM

The firm has formal internal quality control procedures, set up in accordance with International Standard on Quality Control I. These procedures are updated at least annually. The firm's procedures manual addresses issues related to Independence, ethics, integrity and objectivity, Personnel management, Acceptance and continuance of clients and engagements, Engagement performance, and Monitoring. It also provides guidance on Prevention of money laundering, and stipulates the firm's internal Equality policy, Sexual harassment policy, Family friendly measures, Training assistance, and Administration and HR policies.

The effectiveness of the firm's internal quality control system is tested annually by means of internal inspection reviews.

QUALITY ASSURANCE REVIEWS

The firm is subject to reviews by the Quality Assurance Unit, set up within the Accountancy Board, which forms part of the Ministry of Finance, the Economy and Investment. The most recent review by the Quality Assurance Unit was carried out in August 2011.

PUBLIC-INTEREST ENTITIES

During 2013, the firm carried out the statutory audit of the following public-interest entities:

- 6pm Holdings p.l.c.
- AX Investments p.l.c.
- Invictus SICAV p.l.c.
- Meltemi Capital SICAV p.l.c.
- Peak Momentum Funds SICAV plc
- Solid Future UCITS Funds SICAV p.l.c.
- Sunshine Fund (Malta) SICAV Limited.

INDEPENDENCE

The firm performs independence reviews for all client and engagement acceptance decisions. The firm has appropriate safeguards in place to ensure that independence threats are dealt with appropriately. Independence practices are internally reviewed annually to ensure compliance.

CONTINUING EDUCATION

The firm is committed towards ensuring that all its professional personnel perform Continuing Professional Education, in accordance with the requirements laid down by the Accountancy Board and the Malta Institute of Accountants. The firm encourages all personnel to take part in programmes and activities that enhance professional development, and monitors staff development.

TOTAL TURNOVER

In 2013, the firm's turnover was as follows:

- Audit fees - €1,042,779 (2012 : €819,950);
- Other services rendered - €1,792,116 (2012 : €1,094,677).

PARTNERS' REMUNERATION

The firm's partners' remuneration system is based on two core elements; their role within the partnership and the performance of the firm as a whole.

None of the partners is remunerated on the basis of fees generated by a particular client or group of clients, or by a particular service or group of services.