

Transparency report 2015



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FOREWORD

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 2015.

Recognised as the Advisory Firm of the Year 2015 at the International Accounting Bulletin Awards in London, Nexia BT is valued as a leader in the industry by its international peers, acknowledging our team's efforts to offer superior quality services to all our clients. These accolades are a result of over 20 years of dedication and strategic growth.

The team represents over 130 professionals working in a wide range of specialised fields, both locally and internationally. Indeed, one of the largest contributors to Nexia BT's growth was the collaboration with Nexia International back in 2007. This allowed us to maximise on the international presence of the Nexia brand and explore new markets abroad thus leading to a diversification of the services offered while maintaining our core business; that of providing financial services to SMEs. Despite this growth, we pride ourselves in our ability to maintain a close relationship with our customers and employees.

2015 was another positive year for us with a 34% increase in turnover over the previous year, mostly attributed to a 97% increase of our international business. The partners' vision to invest in human resources and marketing efforts dedicated to our international physical presence, undoubtedly yielded the desired results in growth.



**2015: 34% increase
in turnover over 2014**

Our largest asset remains our people. We are meticulous in selecting the right talent to complement our ever-growing team, and invest substantially in developing this talent into practical expertise designed around our customers. Our Partners are accessible and our culture is one that empowers and engages with everyone in the organisation, at all levels. The firm is also an Approved Employer at Platinum level with the Association of Chartered Certified Accountants (ACCA).

Our future is bright. The opportunities to grow are there for us to reach for, and we intend to do so strategically. We will be embracing the international branding and global corporate strategies recently undertaken by Nexia International to emphasise its member firms' commitment to quality service towards their clients. We are confident in our people, and in the trust we have from our clients.



Our commitment is clear. In line with our ethos “Closer to you”, we will build on our strengths and work as a team to overcome our challenges, maintaining a service of excellence to all our clients. Our aim is to remain key contributors to our clients’ success, through a more responsive and personalised business approach. Across the world, we offer a partner-led service and a highly active network that drives quality and facilitates collaboration to provide effective local and global solutions.



March 2016

A handwritten signature in black ink on a white background, appearing to read 'M. Castagna'.

Manuel Castagna, CPA
Compliance Principal

A handwritten signature in black ink on a white background, appearing to read 'Brian Tonna'.

Brian Tonna, CPA
Managing Partner

CORPORATE SOCIAL RESPONSIBILITY



As a growing firm, we strongly believe that it is our responsibility to leave a positive mark on the community in which we operate.

Driven by our values, during 2015 we actively helped a number of institutions. Fund raising activities, ranging from dress down Fridays to food-themed days, were organised throughout the year with proceeds donated to a number of local NGOs, including APPOGG, ALS Malta, Puttinu Cares and Action for Breast Cancer Foundation.



Nevertheless, our contributions are not only limited to financial support. As a firm, Nexia BT sponsored its staff to assist the MSSP Community at St Joseph Home to clean up the premises making the Home a more comfortable place for its residents.

As strong believers in promoting the introduction of physical well-being in one's daily routine, the firm is also an active sponsor of the Malta Football Professional Association (MFPA) and Alive. We also organise the Nexia BT Accountants vs. Lawyers Football Tournament, an annual event which has reached its 6th anniversary in 2015 and gathered teams from various local audit and law firms.



In 2015, Anita Aloisio, Advisory Partner, became a founding member of the newly set-up NGO – Women Directors in Malta. Her drive and commitment complements the firm's recognition for gender equality when we were awarded the NCPE Equality Mark by the Maltese National Commission for the Promotion of Equality.

Internally, all colleagues are invited to make regular financial contributions to the firm's Solidarity Fund. Different to the other initiatives, these funds are passed on to employees who might be going through a hard time.

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/26/84/6 I. The Partners of Nexia BT are:

- Brian Tonna - Managing Partner;
- Manuel Castagna - Audit and HR Partner and Compliance Principal;
- Karl Cini - Tax and International Client Services Partner and MLRO; and
- Anita Aloisio - Specialist Advisory Services Partner.

As from January 2016, the following were appointed directors:

- Darren Bugeja - Audit and Assurance;
- Tim Dambrauskas - Tax and International Client Services; and
- Oliver Zammit - Tax and International Client Services.

All the Partners and directors except Tim Dambrauskas are Certified Public Accountants, and have Practicing Certificates in Auditing issued by the Accountancy Board.

Nexia BT also operates through related companies. The entities through which the firm operated during the year under review were the following:

- Nexia BT - Audit, assurance and tax compliance 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; and
- Nexia BT Consulting Limited - Accounting, consultancy and HR services.

THE INTERNATIONAL NETWORK

Nexia BT is a member firm of Nexia International, a worldwide network of independent accounting and consulting firms.

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

Nexia International facts and figures

Data as at January 2016

Current fee income: 2015	US\$ 3.1 billion	
Countries	120+	
Staff	Partners/Principals:	2,594
	Professional Staff:	16,990
	Administrative Staff:	5,016
	Total:	24,781
Regions (% fee income)	Asia Pacific:	6%
	Europe, Middle East & Africa:	43%
	North & Central America:	50%
	South America:	1%
Service Lines	Audit & Accountancy:	45%
	Tax Services:	26%
	Advisory Services:	29%

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 the year, 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 1. These procedures are updated at least annually. The firm's procedures manual addresses matters relating 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, as well as administration and human resources 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 for Finance. The most recent review by the Quality Assurance Unit was carried out in April 2014.

In conformance with the network's quality assurance policies, the firm is also subject to reviews by Nexia International. The most recent review by Nexia International was carried out in September 2012.

PUBLIC-INTEREST ENTITIES

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

	Listed Equity	Listed Debt	Listed Funds
6pm Holdings p.l.c.	x	x	
AX Investments p.l.c.		x	
Peak Momentum Funds SICAV plc			x

INDEPENDENCE

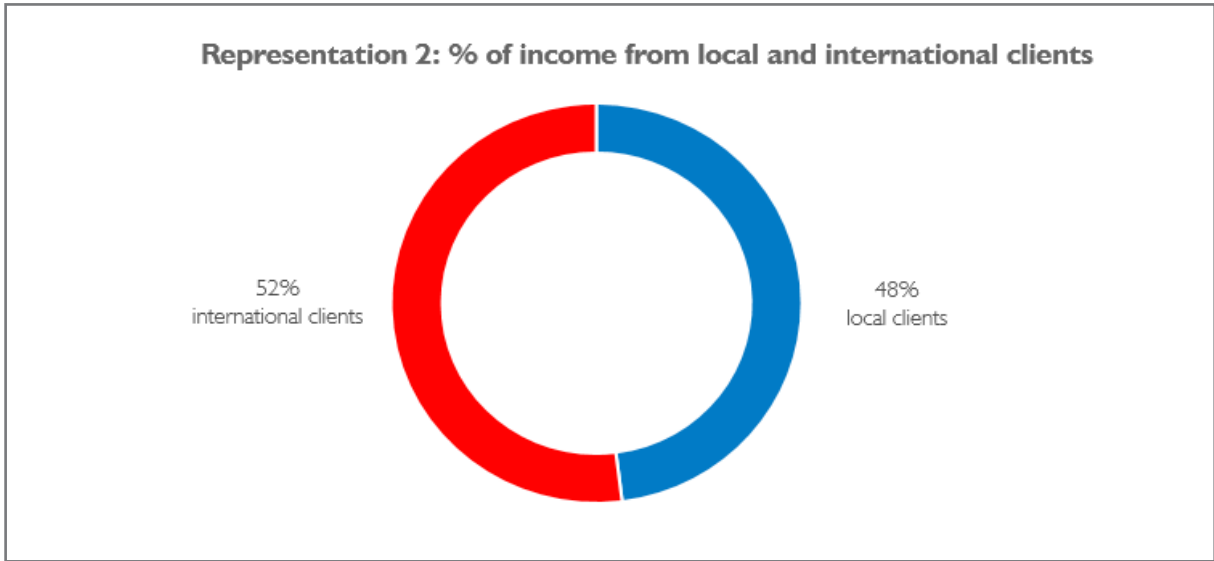
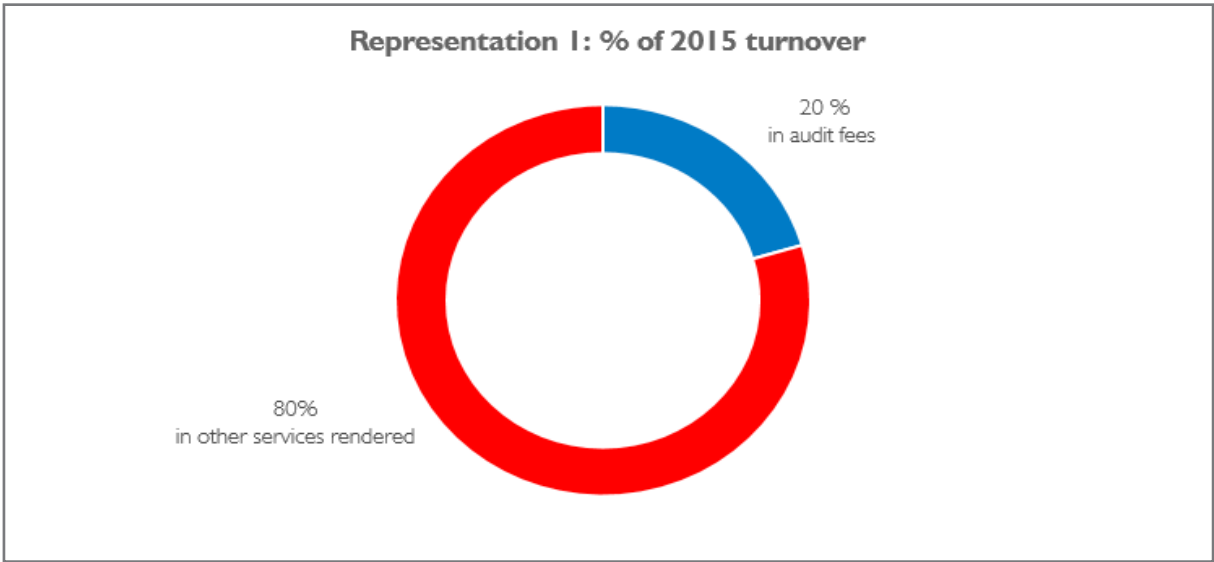
The firm carries out independence reviews for all client and engagement acceptance decisions. The firm has appropriate safeguards in place to ensure that independence threats are dealt with appropriately. Independence practices are internally reviewed annually to ensure compliance.

CONTINUING EDUCATION

The firm is committed towards ensuring that all its professional personnel undergo 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 on an ongoing basis.

TURNOVER

In 2015, the firm's turnover was as follows:
- Audit fees: €1,247,584 (2014: €1,271,873);
- Other services rendered: €4,854,984 (2014: €3,280,297).



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 are remunerated on the basis of fees generated by a particular client or group of clients, or by a particular service or group of services.

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