



Transparency Report 2017

January 2018

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Message from our Managing Director

Our 2017 Transparency Report provides an insight into how we uphold our professional obligations and responsibilities. The key to our success is our reputation and we have a responsibility to our people, our clients and society to maintain the highest levels of integrity in everything that we do.

The KPMG Global Code of Conduct explains our common vision and shared set of core values which we expect all of our people to follow. For our audit practice we have implemented our Audit Quality Framework which describes our approach to audit quality starting with tone at the top. We continually monitor our progress on audit quality through programmes such as our Audit Quality Self Assessment process.

This Transparency Report provides information about our firms as at 30 September 2017 or for the year to that date unless otherwise stated.

I trust you will find this report a useful insight into how we strive to enhance the quality of our work. If you would like to discuss any aspect of this report or have any questions or feedback I would be pleased to hear from you.

Russell Kelly

Managing Director

KPMG Isle of Man and Gibraltar

31 January 2018

1. Who we are

1.1 *Our businesses*

KPMG Audit LLC, KPMG LLC, KPMG Limited and KPMG Advisory Limited (referred to throughout this document as KPMG Isle of Man and Gibraltar) are professional services firms that deliver Audit, Tax and Advisory services. Operating out of two offices in the Isle of Man and Gibraltar, we had 129 personnel as at 30 September 2017 (127 as at 30 September 2016).

Our vision, values and, above all, our people determine how we interact with clients, with each other and with the wider community.

We work closely with our clients to add value to their businesses, helping them to mitigate risks and grasp opportunities.

Our audit services are delivered through KPMG Limited in Gibraltar and KPMG Audit LLC in the Isle of Man.

Full details of the services offered by KPMG Isle of Man and Gibraltar can be found on our websites www.kpmg.com.im and www.kpmg.com.gi

1.2 *Our strategies*

Our strategies are set by the KPMG Isle of Man and Gibraltar Boards of Directors ("the Boards") and have remained consistent for some time. The Boards have determined that our overall ambition is to be the professional services firms in the Isle of Man and Gibraltar that clients want to work with, people want to work for and to be the envy of our competitors.

The Boards have determined that a commitment to quality is of paramount importance.

2. Our structure and governance

2.1 *Legal structure*

Legal structure and ownership

KPMG Isle of Man and Gibraltar is made up of Isle of Man and Gibraltar registered companies and is affiliated with KPMG International Cooperative ("KPMG International"). KPMG International is a Swiss cooperative which is a legal entity formed under Swiss law. It is the entity with which all the member firms of the KPMG network are affiliated. Further details about KPMG International and its business, including our relationship with it, are available in Appendix 1 to the [KPMG International Transparency Report](#).

KPMG Isle of Man and Gibraltar is part of a global network of professional services firms, providing Audit, Tax and Advisory services to a wide variety of public and private sector organisations. KPMG International's structure is designed to support consistency of service quality and adherence to agreed values wherever its member firms operate.

A list of key entities, together with details of their ownership, legal structure, regulatory status, the nature of their business and area of operation is set out in Appendix 1.

KPMG Isle of Man operates through two Isle of Man LLCs, KPMG LLC and KPMG Audit LLC. The members of KPMG LLC are the economic owners of KPMG Isle of Man and Gibraltar. The members are not legally partners and are titled as "Directors". However, throughout this document they are, for consistency with KPMG International terminology, referred to as Partners where appropriate.

During the year to 30 September 2017, there was an average of 7 Directors in KPMG LLC.

2.2 *Name and ownership*

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Member firms are generally locally owned and managed. Each member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

2.3 *Responsibilities and obligations of member firms*

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work.

Member firms commit to a common set of KPMG values – see Appendix 4.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

2.4 *Governance structure*

KPMG Isle of Man and Gibraltar apply high standards of corporate governance.

The principal governance and oversight body of KPMG Isle of Man and Gibraltar is the Board of Directors of KPMG LLC.

As at 30 September 2017, The Board consisted of 7 members, being the Managing Director and the 6 other directors. The Board meets at least quarterly, and during the year end 30 September 2017 the Board met 12 times.

Details of the Managing Director and others comprising the Board of Directors of KPMG LLC are set out in Appendix 2.

The Board of Directors of KPMG Limited in Gibraltar consists of 3 members, being the Managing Director and the 2 other Directors.

3. System of quality control

A robust and consistent system of quality control is an essential requirement in performing high quality services.

Accordingly, KPMG International has quality control policies that apply to all member firms.

These are included in KPMG's Global Quality and Risk Management Manual (Global Q&RM Manual) available to all personnel. These policies and associated procedures are designed to guide member firms in complying with relevant professional standards, regulatory and legal requirements, and in issuing reports that are appropriate in the circumstances as well as help member firm personnel act with integrity and objectivity and perform their work with diligence.

These policies and procedures are based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Both of these are relevant to firms that perform statutory audits and other assurance and related services engagements.

KPMG Isle of Man and Gibraltar implement KPMG International policies and procedures and adopts additional systems of quality controls that are designed to address rules and standards issued by the Financial Reporting Council (FRC), Gibraltar Financial Services Commission (GFSC), Isle of Man Financial Services Authority (IOMFSA) and other relevant regulators as well as applicable local legal and regulatory requirements.

Amendments to risk and quality policies, including ethics and independence policies, are included in risk management alerts and are communicated by email. KPMG Isle of Man and Gibraltar is required to implement changes specified in the email alerts and this is checked through internal monitoring.

KPMG Isle of Man and Gibraltar have adopted [KPMG's Principles for a Responsible Tax Practice](#)

Quality control and risk management are the responsibility of all KPMG personnel. This responsibility includes the need to understand and adhere to member firm policies and associated procedures in carrying out their day-to-day activities. The system of quality control applies to KPMG personnel wherever they are based.

While many KPMG quality control processes are cross-functional, and apply equally to tax and advisory work, the remainder of this section is focused on the delivery of quality audits.

Audit Quality Framework

At KPMG Isle of Man and Gibraltar, audit quality is not just about reaching the right opinion, but how that opinion is reached. It is about the processes, thought and integrity behind the auditors' report. The outcome of a quality audit is the delivery of an appropriate and independent opinion in compliance with relevant professional standards and applicable legal and regulatory requirements.

To help all audit professionals concentrate on the fundamental skills and behaviours required to deliver a quality audit, KPMG International have developed the Audit Quality Framework. This framework uses a common language that is adopted by all KPMG member firms including KPMG Isle of Man and Gibraltar to describe what the KPMG network believes drives audit quality, and to highlight how every audit professional at each KPMG member firm contributes to the delivery of audit quality.

'Tone at the top' sits at the core of the Audit Quality Framework's seven drivers of audit quality and helps ensure that the right behaviours permeate across our entire KPMG network. All of the other drivers are presented within a virtuous circle because each driver is intended to reinforce the others. Each of the seven drivers is described in more detail in the following sections of this report.



3. System of quality control (continued)

3.1 *Tone at the Top – the foundation of audit quality*

The culture of KPMG International and the KPMG member firms is underpinned by a strong set of values and supporting policies and process and enables the right attitudes and behaviours to permeate throughout the KPMG network, starting from the very top. At KPMG Isle of Man and Gibraltar we promote a culture in which consultation is encouraged and recognised as a strength.

Tone at the top means that KPMG Isle of Man and Gibraltar leadership demonstrate commitment to quality, ethics and integrity and communicates its commitment to clients, stakeholders, and society at large.

Integrity is a critical characteristic that stakeholders expect and rely on. It is also the key KPMG Core Value – “Above all, we act with Integrity”. For us this means we are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.

Our Values, which have been explicitly codified for a number of years, are embedded into our working practices and values based compliance culture at KPMG Isle of Man and Gibraltar. Our Values form the foundation of our culture and set the tone at the top. They also form the foundation of our approach to audit and shape how we work together.

We communicate our Values clearly to our people and embed them in our people process – induction, performance development and reward. Adherence to these Values is also specifically reviewed when our people are considered for more senior promotions, including to Director.

Our Values are set out in Appendix 4.

Code of Conduct

Building on our Values is the KPMG International Global Code of Conduct. Member firms are required to adopt, as a minimum, the Global Code of Conduct.

The Global Code of Conduct incorporates our Values and defines the standard of ethical conduct that is required from all KPMG people. It sets out our ethical principles and helps directors and employees at KPMG Isle of Man and Gibraltar to understand and uphold those principles. In addition, the Global Code of Conduct emphasises that each director and employee is personally responsible for following the legal, professional, and ethical standards that apply to his or her job function and level of responsibility. It has provisions that require our people to:

- comply with all applicable laws, regulations and KPMG Isle of Man and Gibraltar policies;
- report any illegal acts, whether committed by KPMG Isle of Man and Gibraltar personnel, clients or other third parties;
- report breaches of KPMG policies;
- uphold the highest levels of client confidentiality; and
- not offer, promise, make, solicit or accept bribes (whether directly or through an intermediary).

All KPMG Isle of Man and Gibraltar personnel are required to:

- confirm their understanding of, and compliance with, the Code of Conduct on joining the firm, and annually thereafter; and
- complete training on the Global Code of Conduct upon joining the firm and biennially thereafter.

Our personnel are encouraged to raise their concerns when they see behaviours or actions that are inconsistent with our Values or professional responsibilities and required to do so when they see breaches of KPMG policies, laws and regulations and professional standards.

We have procedures and established channels of communication so that our personnel can report ethical and quality issues and individuals who report in good faith will not suffer any adverse impact regardless of whether their concern is ultimately substantiated.

3. System of quality control (continued)

In addition, the [KPMG International hotline](#) is a mechanism for KPMG personnel, clients, and other external parties to confidentially report concerns they have relating to certain areas of activity by KPMG, its employees or the senior leadership or employees of a KPMG member firm.

At KPMG Isle of Man and Gibraltar, we regularly monitor the extent to which our people feel we live our Values through the Global People Survey (refer to section 3.4.7).

3.1.1 *Leadership responsibilities for quality and risk management*

KPMG Isle of Man and Gibraltar demonstrate commitment to quality, ethics and integrity, and communicates our focus on quality to clients, stakeholders and society. Our leadership plays a critical role in setting the right tone and leading by example – demonstrating an unwavering commitment to the highest standards of professional excellence and championing and supporting major initiatives.

Our leadership team is committed to building a culture based on quality, integrity and ethics, demonstrated through their actions – written and video communications, presentations to teams and one-to-one discussions.

The following individuals have leadership responsibilities for quality and risk management at KPMG Isle of Man and Gibraltar.

Managing Director

In accordance with the principles in ISQC1, our Managing Director, Russell Kelly, has assumed ultimate responsibility for KPMG Isle of Man and Gibraltar's system of quality control. Details of some of the measures that he and the rest of the Board members have taken to ensure that a culture of quality prevails within KPMG Isle of Man and Gibraltar are set out in section 3.1 'Tone at the top'.

The firm's risk management function

To support this system, the firm has appointed specific directors and senior personnel with the responsibility for oversight of risk management and quality control. David Parsons holds the position of Isle of Man and Gibraltar Risk Management Partner ("RMP") and Gregory Jones is the Ethics & Independence Partner ("EIP").

Risk Management Partner

Operational responsibility for the system of quality control, risk management and compliance in KPMG Isle of Man and Gibraltar has been delegated to the RMP who is responsible for setting overall professional risk management and quality control policies and monitoring compliance for the firm. He has a direct reporting line to the Managing Director and consults with the Area Risk Leader.

The RMP is supported by a team of directors and professionals in each of the functions, including Simon Nicholas who is the Deputy RMP with specific responsibility for the Audit function.

Ethics and Independence Partner

The EIP has primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG Isle of Man and Gibraltar.

The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service functions, (Audit, Tax and Advisory) are accountable to the Managing Director for the quality of service delivered in their respective functions. Between them, they determine the operation of the risk management, quality assurance and monitoring procedures for their specific functions within the framework set by the RMP. These procedures make it clear that at the engagement level, risk management and quality control is ultimately the responsibility of all professionals.

The KPMG Isle of Man and Gibraltar Head of Audit is responsible for leading a sustainable high-quality Audit practice that is attractive to KPMG people. This includes:

- setting the right "tone at the top" by demonstrating an unwavering commitment to the highest standards of professional excellence, including scepticism, objectivity, and independence;
- developing and implementing strategies to monitor and maintain knowledge and skills required of engagement leaders and employees to fulfil their professional responsibilities; and
- working with the RMP to monitor and address audit quality and risk matters as they relate to the Audit practice, including an annual evaluation of activities considered to be key to audit quality.

3. System of quality control (continued)

3.2 Association with the right clients

3.2.1 Acceptance and continuance of clients and engagements

Rigorous client and engagement acceptance and continuance policies and processes help protect KPMG's reputation and support our brand, and are an important part of our ability to provide high-quality professional services.

Accordingly, KPMG International has established policies and procedures which all member firms are required to implement in order to decide whether to accept or continue a client relationship, and whether to perform a specific engagement for that client.

3.2.2 Prospective client and engagement evaluation process

Client Evaluation

KPMG Isle of Man and Gibraltar undertake evaluations of every prospective client.

This involves an assessment of its principals, its business, and other service-related matters. This also involves obtaining and analysing 'know your client information' on the prospective client, its key management and significant beneficial owners.

Both the Isle of Man and Gibraltar have adopted strict anti-money laundering legislation, something the firm has to adhere to at all times. This includes background checks on the prospective client, its key management and beneficial owners.

A key focus is on the integrity of management at a prospective client, and the evaluation considers breaches of laws and regulations, anti-bribery and corruption, and ethical business practices, including human rights, among the factors to consider.

A second director as well as the evaluating director, approves the prospective client evaluation. Depending on the risk grade assigned to the client, the RMP will be required to approve the evaluation.

Engagement Evaluation

Each prospective engagement is also evaluated to identify potential risks in relation to the engagement. A range of factors is considered as part of this evaluation including potential independence and conflict of interest issues (using Sentinel™, our global conflicts and independence checking system) as well as factors specific to the type of engagement as well as performing local checks. For audit services, these include the competence of the client's financial management team and the skills and experience of personnel assigned to staff the engagement. The evaluation is made in consultation with other senior KPMG Isle of Man and Gibraltar personnel and includes review by quality and risk management leadership as required.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional procedures including a review of any non-audit services provided to the client and of other relevant relationships.

Similar independence evaluations are performed when an existing audit client becomes a Public Interest Entity (PIE) or additional independence restrictions apply following a change in the circumstances of the client.

We follow specific procedures (detailed further in section 3.3.2) to identify and evaluate threats to independence for prospective audit clients that are PIEs. The RMP approves all new clients.

Depending on the overall risk assessment of the prospective client or engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

3. System of quality control (continued)

3.2.3 Continuation process

KPMG Isle of Man and Gibraltar undertake annual re-evaluations of all its audit clients and engagements. The re-evaluation identifies any issues in relation to continuing association and any mitigating procedures that need to be put in place (this may include the assignment of additional professionals such as an Engagement Quality Control Reviewer ("EQCR") or the need to involve additional specialists on the audit).

Recurring or long running non-audit engagements are also subject to re-evaluation. In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change in their risk profile.

3.2.4 Withdrawal

Where we obtain information that indicates that we should withdraw from an engagement or from a client relationship, we consult internally and identify any required legal and regulatory steps. We also communicate as required with those charged with governance and any other appropriate authority.

3.2.5 Client portfolio management

Our leadership appoints engagement leaders who have the appropriate competence, capabilities, time and authority to perform the role for each engagement.

3.3 Clear standards and robust audit tools

At KPMG Isle of Man and Gibraltar, professionals are expected to adhere to the KPMG International policies and procedures, and are provided with a range of tools to support them in meeting these expectations. The policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethics, quality control standards, and other relevant laws and regulations.

3.3.1 Audit methodology and tools

Significant resources are dedicated to keeping our standards and tools complete and up to date. The global audit methodology, developed by the Global Service Centre (GSC), is based on the requirements of the International Standards on Auditing (ISAs). The methodology is set out in KPMG International's KPMG Audit Manual (KAM) and includes additional requirements that go beyond the ISAs, which KPMG International believes enhance the quality of the audit. KPMG member firms may add local requirements and/or guidance in KAM to comply with additional professional, legal or regulatory requirements.

The global methodology is supported by eAudit, KPMG's electronic audit tool, which provides KPMG Isle of Man and Gibraltar auditors with the methodology, guidance, and industry knowledge needed to perform high-quality audits.

eAudit's activity-based workflow provides engagement teams with ready access to relevant information at the right time throughout the audit, thereby enhancing effectiveness and efficiency and delivering value to stakeholders.

KAM contains examples and guidance for, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks.

The global audit methodology encourages use of specialists when appropriate, and also requires involvement of relevant specialists in the core audit engagement team when certain criteria are met or where the audit team consider it appropriate or necessary.

KAM includes the implementation of quality control procedures at the engagement level that provide us with reasonable assurance that engagements comply with the relevant professional, legal, regulatory and KPMG International policy requirements.

The policies and procedures set out in KAM are specific to audits and supplement the policies and procedures set out in the Global Q&RM Manual that is applicable to all KPMG member firms, functions and personnel.

3. System of quality control (continued)

3.3.2 *Independence, integrity, ethics and objectivity*

3.3.2.1 *Overview*

KPMG International has detailed independence policies and procedures, incorporating the requirements of the IESBA Code of Ethics. These are set out in KPMG's Global Q&RM Manual. Automated tools facilitate compliance with these requirements.

These policies are supplemented by other processes to ensure compliance with the standards issued by the UK FRC (Financial Reporting Council). These policies and processes cover areas such as firm independence, personal independence, firm financial relationships, post-employment relationships, engagement leader rotation and approval of non-audit services.

KPMG International has a Partner-in-Charge of the Global Independence Group, who is supported by a core team of specialists to help ensure that robust and consistent independence policies and procedures are in place at KPMG member firms, and that tools are available to help them and their personnel comply with these requirements.

KPMG Isle of Man and Gibraltar has a designated EIP who has primary responsibility for the direction and execution of independence policies and procedures.

Amendments to KPMG International's ethics and independence policies in the course of the year are included in regular quality and risk communications. Member firms are required to implement changes as specified in the email alerts and this is checked through the internal monitoring programmes described in 3.7.1.

KPMG Isle of Man and Gibraltar personnel are required to consult with the EIP on certain matters as defined in the GQR&M Manual.

3.3.2.2 *Personal Financial Independence*

KPMG International policies require that each KPMG member firm and its professionals are free from prohibited financial interests in, and prohibited relationships with, KPMG's audit clients, their management, directors, and significant owners. The policies also extend the IESBA Code of Ethics restrictions on ownership of audit client securities to every KPMG member firm signing partner, in respect of any audit client of any member firm.

Our professionals are responsible for making appropriate inquiries and taking other appropriate actions on an ongoing basis to ensure that they do not have any personal financial, business or family interests that are restricted for independence purposes.

In common with other KPMG member firms, we use a web-based independence compliance system (KICS) to assist our professionals in their compliance with personal independence investment policies. This system contains an inventory of publicly available investment products.

Directors and client facing managers are required to use this system prior to entering into an investment to identify whether they are permitted to do so. They are also required to maintain a record of all of their investments in KICS, which automatically notifies them if their investments subsequently become restricted and they must dispose of that investment within 5 business days of the notification. We monitor compliance with this requirement as part of our programme of independence compliance audits of a sample of professionals.

In 2017 14 of our people were subject to these audits (this included 4 of our directors).

3.3.2.3 *Employment relationships*

Any professional providing services to an audit client irrespective of function is required to notify the EIP if they intend to enter into employment negotiations with that audit client. For Directors, this requirement extends to any audit client of any KPMG member firm that is a public interest entity.

Former members of the audit team or former Directors of KPMG Isle of Man and Gibraltar are prohibited from joining an audit client in certain roles unless they have disassociated from KPMG Isle of Man and Gibraltar financially and have ceased participating in KPMG Isle of Man and Gibraltar business and professional activities.

Key audit engagement leaders and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to as 'cooling-off' periods) that preclude them from joining that client in certain roles until a defined period of time has passed.

We communicate and monitor requirements in relation to employment of KPMG Isle of Man and Gibraltar professionals by audit clients.

3. System of quality control (continued)

3.3.2.4 Firm financial independence

KPMG Isle of Man and Gibraltar also uses KICS to record its own investments.

Additionally, KPMG Isle of Man and Gibraltar is required to record in the system all borrowing and capital financing relationships, and custodial, trust and brokerage accounts that hold member firm assets.

On an annual basis, KPMG Isle of Man and Gibraltar confirms compliance with independence requirements as part of the Risk Compliance Programme.

3.3.2.5 Business relationships/suppliers

KPMG Isle of Man and Gibraltar have policies and procedures in place that are designed to ensure that business relationships are maintained in accordance with the UK FRC revised Ethical Standard, IESBA Code of Ethics and any additional applicable independence requirements.

3.3.2.6 Independence clearance process

KPMG Isle of Man and Gibraltar follow specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities; these procedures, also referred to as 'the independence clearance process' must be completed prior to accepting an audit engagement for these entities.

3.3.2.7 Independence training and confirmations

We provide all relevant personnel (including all engagement leaders and client service professionals) with annual independence training appropriate to their grade and function and provide all new personnel with relevant training when they join. New personnel who are required to complete this training must do so by the earlier of (a) thirty days after joining KPMG Isle of Man and Gibraltar and (b) before providing any services to, or becoming a member of the chain of command for, any client, including any of its related entities or affiliates.

We also provide all personnel with training on the Code of Conduct and ethical behaviour, including KPMG's anti-bribery policies, compliance with laws, regulations, and professional standards, and reporting suspected or actual non-compliance with laws, regulations, professional standards, and KPMG's policies on a biennial basis. New personnel are required to complete this training within three months of joining the firm.

In addition, certain non-client-facing personnel who work in finance, procurement or sales and marketing departments, and who are at the manager level and above, are also required to undertake anti-bribery training.

Upon acceptance of employment, all KPMG personnel are required to confirm that they are in compliance with, and will abide by, applicable ethics and independence rules and policies. Thereafter, all KPMG personnel are required to sign an annual confirmation stating that they have remained in compliance with applicable ethics and independence policies throughout the year covered by the confirmation as well as their understanding of, and compliance with, the Global Code of Conduct. This confirmation is used to evidence the individual's compliance with and understanding of KPMG's independence policies.

3.3.2.8 Non-audit services

We have policies that are consistent with the UK FRC revised Ethical Standard, IESBA Code and, where applicable, the rules of the SEC and PCAOB, which address the scope of services that can be provided to audit clients.

We are required to establish and maintain a process to review and approve all new and modified services that are developed by KPMG Isle of Man and Gibraltar. KPMG Isle of Man and Gibraltar's EIP is involved in the review of potential independence issues, and the Global Independence Group is involved in the case of services developed which are intended to be delivered to audit or assurance clients in more than one jurisdiction.

In addition to identifying potential conflicts of interest, Sentinel™, facilitates compliance with these policies. Certain information on all prospective engagements, including service descriptions and fees must be entered into Sentinel™ as part of the engagement acceptance process. Using Sentinel™, lead audit engagement partners are required to: maintain group structures for their publicly traded and certain other audit clients as well as their affiliates, and identify and evaluate any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats. Sentinel™ enables lead audit engagement partners, for those entities for which group structures are maintained, to review and approve, or deny, any proposed service for those entities worldwide.

3. System of quality control (continued)

3.3.2.9 Fee dependency

KPMG International's policies recognise that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the member firm expressing the audit opinion. In particular, KPMG International's policies require that in the event that the total fees from a public interest entity audit client and its related entities were to represent more than 10 percent of the total fees received by a particular member firm for two consecutive years:

- this would be disclosed to those charged with governance at the audit entity; and
- a Senior Partner from another KPMG member firm would be appointed as the EQCR.

No audit client accounted for more than 10 percent of the total fees received by KPMG Isle of Man and Gibraltar over the last two years.

3.3.2.10 Conflicts of Interest

Conflicts of interest can arise in situations where KPMG personnel have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the RMP or the EIP is required in these situations.

All KPMG member firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived by a fully informed, reasonable observer, to have an impact on a member firm or its personnel in their ability to be objective or otherwise act without bias.

All KPMG member firms must use Sentinel™ for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG Isle of Man and Gibraltar has risk management resources (Resolvers) who are responsible for reviewing an identified potential conflict and working with the affected member firms to resolve the conflict, the outcome of which must be documented. It may be necessary to apply specific procedures to manage the potential for a conflict of interest to arise, or be perceived to arise, so that the confidentiality of all clients' affairs is maintained. Such procedures may, for example, include establishing formal dividers between engagement teams serving different clients, and making arrangements to monitor the operation of such dividers.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict. If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.

3.3.2.11 Breaches of Independence Policy

All KPMG Isle of Man and Gibraltar personnel are required to report an independence breach as soon as they become aware of it. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy.

KPMG Isle of Man and Gibraltar has a documented disciplinary policy in relation to breaches of independence policies. The disciplinary policy is communicated to all professionals and applies to all breaches of independence rules, incorporating incremental sanctions reflecting the seriousness of any violations. Our EIP oversees policies and procedures in relation to ethical matters and breaches of requirements. Any breaches of auditor independence regulations are reported to those charged with governance at the audit client, on the basis agreed with them.

Matters arising are factored into our promotion and compensation decisions and, in the case of engagement leaders and managers, are reflected in their individual quality and risk metrics.

3. System of quality control (continued)

3.3.2.12 Compliance with laws, regulations, and anti-bribery and corruption

Compliance with laws, regulation and standards is a key aspect for all KPMG Isle of Man and Gibraltar personnel. In particular, we have zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery - even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by our clients, suppliers or public officials.

Further information on KPMG International anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).

3.3.2.13 Audit engagement leader and Firm rotation

KPMG Isle of Man and Gibraltar audit engagement leaders are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy. These requirements place limits on the number of consecutive years that engagement leaders in certain roles may provide statutory audit services to a client, followed by a 'time-out' period during which time these engagement leaders may not participate in the audit, provide quality control for the audit, consult with the engagement team or the client regarding technical or industry-specific issues or in any way influence the outcome of the audit.

KPMG Isle of Man and Gibraltar rotation policies are consistent with the IESBA Code of Ethics and also require our firm to comply with any stricter applicable rotation requirements, which means we also comply with the UK FRC revised Ethical Standard.

KPMG Isle of Man and Gibraltar monitors the rotation of audit engagement leaders (and any other key roles, such as the EQCR, where there is a rotation requirement) and develops transition plans to enable allocation of engagement leaders with the necessary competence and capability to deliver a consistent quality of service to clients. The rotation monitoring is subject to compliance testing.

EU Public Interest Entities are required to rotate their firm of auditors. This is known as Mandatory Firm Rotation ("MFR"). Under the UK MFR rules, all EU PIEs must tender their audit contract at least every 10 years and change or rotate their auditor at least every 20 years. There are transitional provisions in place on implementation of the MFR rules. We have processes in place to track and manage audit firm rotation.

3.4 Recruitment, development and assignment of appropriately qualified personnel

One of the key drivers of quality is ensuring that our professionals have the appropriate skills and experience, passion and purpose, to deliver the highest quality in audit. This requires appropriate recruitment, development, promotion, retention and assignment of professionals. KPMG global behaviours, which are linked to the KPMG Values, are designed to articulate what is required for success-both individually and collectively. One of KPMG's global behaviours is 'Delivering Quality'.

3.4.1 Recruitment

KPMG Isle of Man and Gibraltar strives to be an employer of choice by creating an environment where our people can fulfil their potential and feel proud and motivated to give their best.

Our recruiting strategies are focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age.

KPMG Isle of Man and Gibraltar also recruits at an experienced hire and Director level.

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews and ability testing, and qualification/reference checks.

KPMG Isle of Man and Gibraltar recruited 6 new graduates in the year ended 30 September 2017 (2016: 9).

Where individuals are recruited for senior grades a formal independence discussion is conducted with them by the EIP or a delegate. KPMG Isle of Man and Gibraltar does not accept any confidential information belonging to the candidate's former firm/employer.

The Director level hire process is rigorous and thorough, involving appropriate members of leadership. Our criteria for Director hires are consistent with our commitment to professionalism and integrity, quality, and being an employer of choice. These are strongly aligned to KPMG's behavioural capabilities and are based on consistent principles.

3. System of quality control (continued)

3.4.2 Personal development

It is important that all professionals have the necessary business and leadership skills to be able to perform quality work in addition to technical skills (see section 3.5.1).

In relation to audit, opportunities are provided for professionals to develop the skills, behaviours, and personal qualities that form the foundations of a successful career in auditing. Courses are available to enhance personal effectiveness and develop technical, leadership, and business skills.

KPMG Isle of Man and Gibraltar professionals are also developed for high performance through access to coaching and mentoring on the job, stretch assignments, and country rotational and global mobility opportunities.

3.4.3 Inclusion and Diversity programmes

KPMG Isle of Man and Gibraltar works hard to foster an inclusive culture. Being inclusive enables us to bring together successful teams with the broadest range of skills, experiences and perspectives.

Our leadership and management teams also need to reflect the diversity within our firm and the diversity of our clients.

We believe that the established Global Inclusion and Diversity strategy of KPMG International provides the framework to drive the actions that are necessary to promote inclusive leadership at KPMG Isle of Man and Gibraltar and across the KPMG network.

For more about Inclusion & Diversity at KPMG International and its member firms read [here](#).

3.4.4 Performance and reward

Evaluation process including quality and compliance metrics

KPMG Isle of Man and Gibraltar professionals, including engagement leaders, have annual goal-setting and performance reviews. Each professional is evaluated on their agreed-upon goals, demonstration of our global behaviours, technical capabilities and market knowledge. A culture of continuous improvement is encouraged to drive feedback, both positive and developmental, from both junior and senior colleagues, as well as peers. Feedback gathered forms an integral part of performance reviews.

Going beyond performance reviews and compensation, the KPMG Global Behaviours are designed to extend across all our people processes, including recruitment methodologies, recognition approaches and development planning. The behaviours are a constant reference point, articulating to our people what is required for success individually and collectively.

KPMG Isle of Man and Gibraltar monitors quality and compliance incidents and maintains quality metrics in assessing overall evaluation, promotion and remuneration of Directors and certain personnel. These evaluations are conducted by performance managers and engagement leaders who are in a position to assess performance.

KPMG Isle of Man and Gibraltar's policy prohibits audit engagement leaders from being evaluated on or compensated based on their success in selling non-assurance services to audit clients.

Reward

We have compensation and promotion policies that are clear, simple, and linked to the performance review process which, for audit engagement leaders, includes the achievement of key audit quality and compliance metrics. This helps our engagement leaders and employees know what is expected of them, and what they can expect to receive in return.

Reward decisions are based on consideration of both individual and organisational (member firm) performance. The extent to which our people feel their performance has been reflected in their reward is measured through the Global People Survey, with action plans developed accordingly (refer to section 3.4.7).

Promotion

The results of performance evaluations directly affect the promotion and remuneration of engagement leaders and staff and, in some cases, their continued association with KPMG.

3. System of quality control (continued)

3.4.5 Director appointments

The KPMG Isle of Man and Gibraltar processes for appointment to the position of Director are rigorous and thorough, involving various levels of assessment carried out both by the local firm and at a sub-regional level. The procedures include the presentation of a business case and a personal case for each individual candidate.

Our criteria for admission as a member of KPMG Isle of Man and Gibraltar are consistent with our commitment to professionalism and integrity, quality, and being an employer of choice. These are strongly aligned to KPMG's behavioural capabilities and are based on consistent principles.

3.4.6 Assignment of professionals

We have procedures in place to assign both the engagement leaders and professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

Function heads are responsible for the process for allocating particular engagement leaders to clients. Key considerations include engagement leader experience, accreditation, and capacity, based on an annual engagement leader portfolio review, to perform the engagement in view of the size, the complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement leaders are required to be satisfied that their engagement teams have appropriate competencies, training and capabilities to perform audit engagements in accordance with KAM, professional standards and applicable legal and regulatory requirements. This may include involving KPMG's specialists from our own or other KPMG member firms.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement leader's considerations may include the following:

- an understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation an understanding of professional standards and legal and regulatory standards requirements;
- appropriate technical skills, including those related to relevant information technology and specialised areas of accounting or auditing;

- knowledge of relevant industries in which the client operates;
- ability to apply professional judgment;
- an understanding of quality control policies and procedures; and
- internal monitoring results and results of regulatory inspections.

3.4.7 Employee Engagement

Biennially KPMG Isle of Man and Gibraltar invite all our people to participate in an independent Global People Survey (GPS) which measures our people's attitudes and provides an overall Employee Engagement Index (EEI) and Performance Excellence Index (PEI) as well as insights about what drives engagement which may be strengths or opportunities. The survey also identifies opportunities to strengthen those levels of engagement. Results can be analysed by functional or geographic area, grade, role or gender to provide additional insight. Additional insight is provided on how we are faring on categories known to impact employee engagement.

The survey also specifically provides leadership with information on employee and director attitudes to quality, leadership and tone at the top.

KPMG Isle of Man and Gibraltar participates in the GPS, monitors results and takes appropriate actions to communicate and respond to the findings of the survey.

This includes monitoring GPS results including those related to audit quality and tone at the top, referred to in the GPS as 'leadership behaviour', employee engagement through the EEI, and employee performance through PEI.

The results of the GPS are also aggregated for the KPMG network and are presented to the Global Board each year and appropriate follow-up actions agreed.

3. System of quality control (continued)

3.5 Commitment to technical excellence and quality service delivery

All KPMG Isle of Man and Gibraltar professionals are provided with the technical training and support they need. This includes access to specialists and the Department of Professional Practice ("DPP"), which is made up of senior professionals with extensive experience in audit, reporting and risk management, either to provide resources to the engagement team or for consultation. Where the right resource is not available within KPMG Isle of Man and Gibraltar, access is provided to a network of highly skilled KPMG professionals in other KPMG member firms.

At the same time, audit policies require professionals to have the appropriate knowledge and experience for their assigned engagements.

3.5.1 Lifetime learning strategy

In addition to personal development discussed in the section above, our lifetime learning strategy is underpinned by policies requiring all professionals to maintain their technical competence and to comply with applicable regulatory and professional development requirements.

Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development steering groups at global, regional and, where applicable, KPMG Isle of Man and Gibraltar level. Training is delivered using a blend of classroom, digital learning and performance support to assist auditors on the job. Audit Learning and Development teams work with subject matter experts and leaders from the GSC, the ISG and member firm DPP as appropriate, to ensure the training is of the highest quality, is relevant to performance on the job and is delivered on a timely basis.

In addition to rolling out the training released by the Audit Learning and Development group, our firm develops and provides local audit training for all audit professional staff. This training provides an overview of the industries operating in the Isle of Man and Gibraltar and KPMG Isle of Man and Gibraltar's approach to auditing such entities.

3.5.2 Accreditation and licensing

Licensing

All KPMG Isle of Man and Gibraltar professionals must comply with applicable professional licence rules and satisfy the Continuing Professional Development (CPD) requirements in the jurisdiction where they practise.

Policies and procedures are designed to facilitate compliance with licence requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting frameworks of IFRS and UK GAAP.

Mandatory requirements – IFRS and US GAAP engagements

In addition, KPMG International have specific requirements for audit engagement leaders and managers working on IFRS engagements in countries where IFRS is not the predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that the audit engagement leader, manager, and EQC reviewer have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

3. System of quality control (continued)

3.5.3 Access to specialist networks

Our engagement teams have access to a network of local KPMG specialists or specialists in other KPMG member firms. Engagement leaders are responsible for ensuring that their engagement teams have the appropriate resources and skills.

The need for specialists (e.g. Information Technology, Tax, Treasury, Actuarial, Pensions, Forensic, Valuation) to be assigned to a specific audit engagement is considered as part of the audit engagement acceptance and continuance process. Specialists who are members of an audit team and have overall responsibility for specialist involvement on an audit engagement have the competencies, capabilities and objectivity to appropriately fulfil their role. Training on audit concepts is provided to these specialists.

3.5.4 Consultation

KPMG Isle of Man and Gibraltar promotes a culture in which consultation is recognised as a strength and that encourages personnel to consult on difficult or contentious matters. To assist audit engagement professionals in addressing difficult or contentious matters, protocols have been established for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, our Global Q&RM Manual includes mandatory consultation requirements where certain matters are identified such as concerns over client integrity.

Across KPMG Isle of Man and Gibraltar, the role of DPP is crucial in terms of the support that it provides to the Audit Function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS and ISAs.

Consultation with a team member at a higher level of responsibility than either of the differing parties usually resolves such differences. In other circumstances, the matter may be elevated through the chain of responsibility for resolution by technical specialists. In exceptional circumstances, a matter may be referred to the Head of Audit, Audit RMP or ultimately the Managing Director.

Appropriate consultation support is provided to audit engagement professionals through our professional practice resources.

Auditing and technical accounting support is available to all member firms and their professionals through the GSC and the ISG as well as the US Capital Markets Group for SEC foreign registrants.

Global Services Centre (GSC)

The GSC develops, maintains and deploys KPMG's global audit methodology and technology-based tools used by KPMG audit professionals to facilitate effective and efficient audits.

International Standards Group (ISG)

The ISG works with Global IFRS and ISAs topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis.

Further details about the GSC and ISG and its activities are available in the [KPMG International Transparency Report](#)

3.5.5 Developing business understanding and industry knowledge

A key part of quality is having a detailed understanding of the client's business and industry.

For significant industries, global audit sector leads are appointed to support the development of relevant industry information, which is made available to audit professionals within eAuditIT. This knowledge comprises examples of industry audit procedures and other information (such as typical risks and accounting processes). In addition, industry overviews are available which provide general and business information in respect of particular industries, as well as a summary of the industry knowledge provided in eAuditIT.

3. System of quality control (continued)

3.6 Performance of effective and efficient audits

How an audit is conducted is as important as the final result. KPMG Isle of Man and Gibraltar personnel are expected to demonstrate certain key behaviours and follow certain policies and procedures in the performance of effective and efficient audits.

3.6.1 KPMG Audit Process

Our audit workflow is enabled through eAudit, KPMG International's activity based workflow and electronic audit file. eAudit integrates the KPMG audit methodology, guidance and industry knowledge, and the tools needed to manage audits consistently. The KPMG high-quality audit process includes:

- timely engagement leader and manager involvement;
- timely access to the right knowledge – specialists, accredited individuals and relevant industry expertise;
- critical assessment of audit evidence - exercise of professional judgment and professional scepticism;
- ongoing mentoring, supervision, and review
- appropriately supported and documented conclusions; and
- robust challenge and review, including EQC review.

3.6.1.1 Timely engagement leader and manager involvement

To help identify and respond to the significant audit risks applicable to each audit, the engagement team requires an understanding of the client's business, its financial position, and the environment in which it operates.

The engagement leader is responsible for the direction, supervision and performance of the engagement and therefore responsible for the overall quality of the audit engagement.

Involvement and leadership from the engagement leader during the planning process helps set the appropriate scope and tone for the audit, and helps the engagement team obtain maximum benefit from the engagement leader's experience and skill. Timely involvement of the engagement leader at other stages of the engagement allows the engagement leader to identify and appropriately address matters significant to the engagement, including critical areas of judgment and significant risks.

The engagement leader is responsible for the final audit opinion and reviews key audit documentation. In particular, documentation relating to significant matters

arising during the audit and conclusions reached. The engagement manager assists the engagement leader in meeting these responsibilities and in the day-to-day liaison with the client and team, building a deep business understanding that helps the engagement leader and team deliver valued insights.

3.6.1.2 Critical assessment of audit evidence with emphasis on professional scepticism

We consider all audit evidence obtained during the course of the audit, including consideration of contradictory or inconsistent audit evidence. The nature and extent of the audit evidence we gather is responsive to the assessed risks. We critically assess audit evidence obtained from all sources. For the purpose of obtaining sufficient appropriate audit evidence each team member is required to exercise professional judgment and maintain professional scepticism throughout the audit engagement.

Professional scepticism involves a questioning mind and alertness to contradictions or inconsistencies in audit evidence. Professional scepticism features prominently throughout auditing standards and receives significant focus from regulators. The KPMG Audit Quality Framework emphasises the importance of maintaining an attitude of professional scepticism throughout the audit.

The KPMG professional judgment process facilitates good judgment by introducing a structured approach to auditing areas that require significant judgment. It also reinforces the importance of independence and objectivity and emphasises the importance of having the right mindset - the need to apply professional scepticism.

Our professional judgment process recognises the need to be aware of, and alert to, biases which may pose threats to good judgment. The structured approach to auditing areas that require significant judgment involves:

- considering alternatives;
- critically assessing audit evidence by challenging management's assumptions and following up contradictory or inconsistent information; and
- documenting the rationale for conclusions reached on a timely basis as a means of evaluating their completeness and appropriateness.

The use of the professional judgment process and the application of professional scepticism is reinforced through coaching and training, acknowledging that judgment is a skill developed over time and with different experiences.

3. System of quality control (continued)

3.6.1.3 Ongoing mentoring and on the job coaching, supervision and review

We understand that skills build over time and through exposure to different experiences. To invest in the building of skills and capabilities of KPMG professionals, without compromising on quality, KPMG Isle of Man and Gibraltar promote a continuous learning environment and support a coaching culture.

The engagement leader, supported by the engagement manager, is responsible for driving a culture of coaching and continuous learning throughout the audit process and setting an example in the performance of the audit to drive a culture of continuous audit quality improvement.

Ongoing mentoring, coaching and supervision during an audit involves:

- engagement leader participation in the planning discussions;
- tracking the progress of the audit engagement;
- considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately ; and
- identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

3.6.1.4 Appropriately supported and documented conclusions

KPMG Isle of Man and Gibraltar uses the KAM and KPMG International's electronic audit tool, eAuditIT, to provide guidance, mechanisms for and documentation of, the supervision and control of the audit engagement. Audit documentation records the audit procedures performed, evidence obtained and conclusions reached on each audit engagement. KPMG policies require review of documentation by more experienced engagement team members.

KAM recognises that documentation prepared on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before our report is finalised.

Engagement teams are required to assemble a complete and final set of audit documentation for retention within an appropriate time period, which is ordinarily not more than 60 calendar days from the date of the auditors' report but may be more restrictive under certain applicable regulations.

The key principle that engagement team members are required to consider when preparing audit documentation is whether an experienced auditor, having no previous connection with the engagement, will understand:

- the nature, timing, and extent of audit procedures performed to comply with the ISAs, KAM and other applicable legal and regulatory requirements;
- the results of the procedures performed, and the audit evidence obtained;
- significant findings and issues arising during the audit, and actions taken to address them (including additional audit evidence obtained); and
- the basis for the conclusions reached, and significant professional judgments made in reaching those conclusions.

3. System of quality control (continued)

3.6.1.5 *Appropriate involvement of the Engagement Quality Control reviewer (EQC review)*

EQC reviewers are independent of the engagement team and have the appropriate experience and knowledge to perform an objective review of the more critical decisions and judgments made by the engagement team and the appropriateness of the financial statements.

An EQC reviewer (EQCR) is required to be appointed for audits, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements as designated by the RMP or country head of audit.

The EQC review takes place before the date of the audit report and includes, among other matters:

- review of selected audit documentation relating to significant judgments the engagement team made and the conclusions it reached;
- review of the financial statements and proposed audit report; and
- evaluation of the conclusions reached in formulating the audit report and consideration of whether the proposed report is appropriate.

Although the engagement leader is ultimately responsible for the resolution of financial reporting and auditing matters, the EQC reviewer must be satisfied that all significant questions raised have been resolved before an audit can be considered complete.

KPMG Isle of Man and Gibraltar is continually seeking to strengthen and improve the role that the EQC reviewer plays in audits, as this is a fundamental part of the system of audit quality control. In recent years, a number of actions have been taken to reinforce this, including:

- issuing leading practices guidance focusing on reviewer competencies and capabilities and on ongoing support provided to EQC reviewers;
- incorporating specific procedures in eAuditIT to facilitate effective reviews; and
- implementing policies relating to recognition, nomination and development of EQC reviewers, as well as monitoring and assessing the nature, timing and extent of their involvement.

3.6.1.6 *Appropriate involvement of the Limited Scope Quality Control reviewer (LSQC review)*

In certain circumstances where a full EQC review is not required, Limited Scope Quality Control reviewers (LSQCR) may be used. Similar to the EQCR, the LSQCR reviewers have appropriate experience and knowledge to perform an objective review of the decisions and judgments made by the engagement team. They are experienced audit professionals who are independent of the engagement team. They offer an objective review of the more critical and judgmental elements of the audit.

Examples of where an LSQCR may be used are as follows:

- where the engagement is a high risk engagement due to significant risks in a discrete area (e.g. revenue recognition, business restructuring, significant valuations/estimates, asset impairment, or tax exposures/risks) or financial statement level risks (e.g. going concern) in which case, the purpose of the LSQCR is to evaluate the judgments and conclusions related to the risk(s) and the related financial statement disclosure. The LSQCR must be approved by the RMP.
- where the engagement leader, the country head of audit or the RMP requests that another partner with experience in an industry or a specific regulatory framework review the financial statements and discuss significant matters arising during the audit/review, significant professional judgments made and related conclusions reached with the engagement leader.
- for modified opinions, where the engagement leader determines that an LSQC review is required. Reasoning must be clearly documented and approved by the engagement leader. Emphasis-of-matter paragraphs are considered to be modified audit opinions.

3. System of quality control (continued)

3.6.1.7 Reporting

Auditing standards and the various Isle of Man and Gibraltar Companies Acts or similar legislative requirements largely dictate the format and content of the audit report that includes an opinion on whether the client's financial statements give a true and fair view. Experienced engagement leaders arrive at all audit opinions, based on the audit performed.

In preparing audit reports, engagement leaders have access to extensive reporting guidance and technical support through consultations with our DPP, especially where there are significant matters to be reported to users of the audit report (e.g. a modification to the opinion or through the inclusion of an 'emphasis of matter' or 'other matter' paragraph, as well as key audit matters to be communicated).

In compliance with the new IAASB requirements, we have enhanced auditor reporting for those audit reports prepared under the ISAs. The changes in auditors' reporting give users more insight into the audit and improve transparency.

3.6.1.8 *Insight, open and honest two-way communication with those charged with governance*

Two-way communication with those charged with governance, often identified as the audit committee, is key to audit quality and is a key aspect of reporting and service delivery.

At KPMG Isle of Man and Gibraltar we stress the importance of keeping those charged with governance informed of issues arising throughout the audit and the need to listen to and understand their views. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and, when appropriate, ongoing informal discussions with management and members of the audit committee.

Communications with audit committees include:

- an overview of the planned scope and timing of the audit, which includes communicating significant risks identified;
- significant findings from the audit which may include control deficiencies and audit misstatements; and
- an annual written communication that states the engagement team and KPMG Isle of Man or Gibraltar have complied with relevant independence requirements, describes all relationships and other matters between KPMG Isle of Man or Gibraltar and the audit client that, in our professional judgment, may reasonably be thought to bear on independence, and states related safeguards we have applied to eliminate (or reduce to an acceptable level) identified threats to independence.

We ensure such communications meet the requirements of professional standards.

Audit Committee Institute

In recognition of the demanding and important role that audit committees play for the capital markets and also of the challenges that they face in meeting their responsibilities, our [Audit Committee Institute](#) (ACI) aims to help audit committee members enhance their commitment and ability to implement effective audit committee processes.

The ACI operates in more than 40 countries across the globe and provides audit committee members with authoritative guidance (such as the [ACI Audit Committee Handbook](#)) on matters of interest to audit committees, updates on issues like EU audit reform, changes to accounting standards and other matters of interest to Audit Committees (such as cyber security and corporate culture) and the opportunity to network with their peers during an extensive programme of technical updates and awareness seminars.

The ACI's offerings cover the array of challenges facing Audit Committees and businesses today - from risk management and emerging technologies to strategy and global compliance.

3. System of quality control (continued)

3.6.1.9 Focus on effectiveness of group audits

The KPMG audit methodology covers the conduct of group audits in detail. We stress the importance of effective two-way communication between the group engagement team and the component auditors, which is a key to audit quality. The group audit engagement leader is required to evaluate the competence of component auditors, irrespective of whether they are KPMG member firms, as part of the engagement acceptance process.

Consistent methodology and tools are used across the KPMG network. Lead audit engagement partners are provided with information on component auditors within the KPMG network to help them evaluate their competence and capabilities. In addition, for PCAOB engagements, the results of relevant inspections related to the KPMG component member firms are made available to the lead audit engagement partner.

Lead audit engagement partners may review component auditor engagement documentation in person or obtain electronic access.

3.6.2 Client confidentiality, information security and data privacy

The importance of maintaining client confidentiality is emphasised through a variety of mechanisms including the Code of Conduct, training, and the annual affidavit/confirmation process, that all KPMG professionals are required to complete.

We have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, standards and regulations.

We have clear policies on information security that cover a wide range of areas. Data Privacy policies are in place governing the handling of personal information, and associated training is required for all KPMG Isle of Man and Gibraltar personnel.

3.7 Commitment to continuous improvement

We commit to continually improve the quality, consistency and efficiency of our audits. Integrated quality monitoring and compliance programmes enable member firms to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans, both in respect of

individual audit engagements and the member firm's system of quality control. KPMG International's integrated quality and monitoring programmes include the Quality Performance Review (QPR) programme, the Risk Compliance programme (RCP) and the Global Compliance Review (GCR) programme.

The quality monitoring and compliance programmes are globally administered and consistent in their approach across member firms, including the nature and extent of testing and reporting. KPMG Isle of Man and Gibraltar compares the results of its internal monitoring programmes with the results of those of any external inspection programmes and take appropriate action.

3.7.1 Monitoring

3.7.1.1 Internal monitoring and compliance programmes

Our monitoring programmes evaluate both:

- engagement performance in compliance with the applicable standards, applicable laws and regulation and KPMG International policies and procedures; and
- KPMG Isle of Man and Gibraltar compliance with KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The results and lessons from the integrated monitoring programmes are communicated internally, and the overall results and lessons from the programmes are considered and appropriate action is taken at local, regional and global levels. Our internal monitoring programme also contributes to the assessment of whether our system of quality control has been appropriately designed, and effectively implemented, and operates effectively.

Two KPMG International developed and administered inspection programmes are conducted annually across the Audit, Tax, and Advisory functions: QPR and RCP.

Additionally, all member firms are covered at least every three years by the cross functional GCR programme. Participation in QPR, RCP and GCR is a condition of ongoing membership of the KPMG network.

3. System of quality control (continued)

Audit Quality Performance Reviews (QPRs)

The QPR programme assesses engagement level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each engagement leader is reviewed at least once in a three year cycle. A risk-based approach is used to select engagements.

KPMG Isle of Man and Gibraltar conducts the annual QPR programme in accordance with KPMG International QPR instructions. The reviews are performed at KPMG Isle of Man and Gibraltar level and are monitored regionally and globally. Member firm Audit QPR reviews are overseen by a senior experienced lead reviewer independent from the member firm.

Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Review teams include senior experienced lead reviewers that are independent of the member firm under review.

Training is provided to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

Evaluations from Audit QPR

Consistent criteria are used to determine engagement ratings and member firm Audit practice evaluations.

Audit engagements selected for review are rated as 'Satisfactory', 'Performance Improvement Needed' or 'Unsatisfactory'.

Reporting

Findings from the QPR programme are disseminated to member firm professionals through written communications, internal training tools, and periodic engagement leader, manager and staff meetings.

These areas are also emphasised in subsequent inspection programmes to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of less than satisfactory engagement (defined as 'Performance Improvement Needed' or 'Unsatisfactory') ratings on their respective cross-border engagements. Additionally, lead audit engagement partners of parent companies/head offices are notified where a subsidiary/affiliate of their client group is audited by a member firm where significant quality issues have been identified during the QPR.

3. System of quality control (continued)

Risk Compliance Programme (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all member firms. These policies and processes, and their related procedures, include the requirements of ISQC 1. During the annual RCP, we perform a robust assessment programme consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions.

The objectives of the RCP are to:

- monitor, document and assess the extent of compliance of the KPMG Isle of Man and Gibraltar system of quality control with Global Quality & Risk Management policies and key legal and regulatory requirements relating to the delivery of professional services; and
- provide the basis for KPMG Isle of Man and Gibraltar to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

Where deficiencies are identified, we are required to develop appropriate action plans.

Global Compliance Review Programmes (GCRs)

Each member firm is subject to a GCR conducted by KPMG International's GCR team, independent of the member firm, at least once in a 3 year cycle.

The GCR provides independent oversight of our assessment of our system of quality control, including:

- our commitment to quality and risk management (tone at the top) and the extent to which the overall structure, governance and financing support and reinforce this commitment; and
- the completeness and robustness of our RCP.

The GCR team performing the reviews is independent of KPMG Isle of Man and Gibraltar, objective and knowledgeable of Global Quality and Risk Management policies.

We develop action plans to respond to all GCR findings and agree these with the GCR team. Our progress on action plans is monitored by the GCR central team. Results are reported to the Global Quality & Risk Management Steering Group (GQRMSG) and, where necessary, to appropriate KPMG International and regional leadership, to help ensure timely remedial actions taken by the member firm

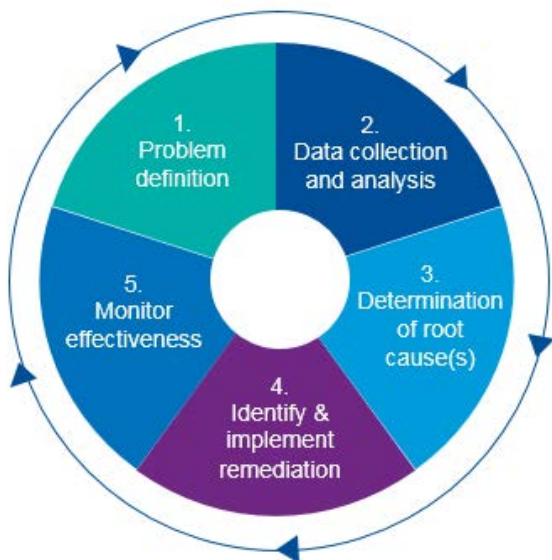
KPMG Isle of Man and Gibraltar were most recently subject to a Global Compliance Review in December 2017.

3. System of quality control (continued)

Root Cause Analysis (RCA)

KPMG Isle of Man and Gibraltar performs root cause analysis to identify and address audit quality issues in order to prevent them from recurring and help identify good practices as part of continuous improvement. In 2017, RCA training based on our Global RCA 5 Step Principles was attended by those individuals at KPMG Isle of Man and Gibraltar who will be performing RCA or directing those performing RCA. The training provides a common platform for advancing the practices and skills associated with resourcing, planning and conducting RCA.

The Global RCA 5 Step Principles are as follows:



It is the responsibility of member firms to perform RCA and thereby identify and subsequently develop appropriate remediation plans for the audit quality issues identified.

KPMG Isle of Man and Gibraltar’s Head of Audit is responsible for the development and implementation of action plans as a result of RCA including identification of solution owners. The RMP monitors their implementation.

3.7.1.2 Recommendations for improvements

At a global level, through the Global Audit Quality Issues Council (GAQIC) and the Global Quality & Risk Management Steering Group (GQMSG), KPMG International reviews the results of the quality monitoring programmes, analyses member firm root causes and action plans and develops additional global actions as required.

The GAQIC considers network-wide issues arising from internal quality control reviews and external inspections, monitors progress being made in addressing audit quality issues and makes recommendations to the Global Audit Steering Group (GASG) on audit quality issues.

To date, Global remediation plans developed by KPMG International have been aimed at changing culture and behaviour across the KPMG network and at driving consistent engagement team performance within KPMG member firms. The remediation plans have been implemented through the development of global training, tools and guidance to drive consistency, ensure the fundamentals are right and that best practice is shared across the network

3.7.2 External feedback and dialogue

3.7.2.1 Regulators

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR) to discuss audit quality findings and actions taken to address such issues at a network level.

From 5 April 2010, there were changes to the requirements for firms that audit companies incorporated in one of the Crown Dependencies (Jersey, Guernsey and the Isle of Man) which have ‘transferable securities’ admitted to trading on a ‘regulated market’ in the EU. These requirements apply even if the firm or company is not operating in a Crown Dependency.

As a result of these changes, KPMG Isle of Man is subject to inspection by the Quality Assurance Department of the Audit Registration Committee. The first Crown Dependency visit was conducted in May 2013 and the latest was in May 2016.

KPMG Limited is regulated by the Gibraltar Financial Services Commission. The most recent inspection was in October 2013.

None of the external inspections have identified any issues that have a material impact on the conduct of our statutory audit businesses.

3. System of quality control (continued)

3.7.2.2 *Client feedback*

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered. We endeavor to take this feedback and make dynamic changes at both the engagement level and firm level to meet clients' needs

3.7.2.3 *Monitoring of complaints*

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our general terms of business. All formal complaints are investigated by the Managing Director and/or the RMP.

4. Financial information

The financial information set out below represents revenue generated in the year ended 30 September 2017.

KPMG Gibraltar	
Revenue derived from:	£'000
Statutory audit of PIE* clients and related entities	224
Permitted non-audit service to PIE* clients and related entities	21
Statutory audit of other clients	963
Non-audit services to other clients	360

KPMG Isle of Man	
Revenue derived from:	£'000
Statutory audit of PIE* clients and related entities	147
Permitted non-audit service to PIE* clients and related entities	0
Statutory audit of other clients	6,597
Non-audit services to other clients	3,382

The classification above for audit work includes a small proportion of revenues derived from other assurance services which are directly related to audit.

* For the above purposes, "PIE" refers to EU PIEs as defined in Article 2.13 of EU Directive 2006/43

5. Director remuneration

5.1 Director remuneration

Directors are remunerated out of the distributable profits of the firm as set out in the accounts and as approved by the Board.

The determination of the profits available for distribution is based on the results of the firm as a whole and is not dependent directly on the performance of any particular line of business or function. The final allocation of profits to the Directors includes two components which depend upon length of time as a director, together with two components which are determined by performance factors.

With regard to the latter, the assessment of individual performance for the year will include input from the RMP and EIP setting out any observations he or she may wish to make on the quality of work performed by Directors during the year.

5.2 Drawings

During the year, members working within KPMG Isle of Man and Gibraltar received monthly drawings, and from time to time, additional profit distributions. The level and timing of the additional distributions are decided by the Finance Director taking into account cash requirements for operating and investing activities. Such drawings and profit distributions to members may include payments on account of current year profits which are reclaimable from members until profits have been allocated. Any over-distribution of profits during the year is also recoverable from members.

5.3 Associate Director remuneration

Associate Directors act as engagement leaders on certain engagements. Their remuneration comprises an element which reflects the seniority and experience of each individual plus a discretionary bonus element which reflects individual performance.

Audit Directors and Associate Directors are not permitted to have any objectives related to, or receive any remuneration based on, selling non-audit services to their audit clients. In addition, a part of their performance-related component is based on an assessment of their ability to deliver audit quality.

6. Network arrangements

6.1 Legal structure

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law.

KPMG International carries on business activities for the overall benefit of the KPMG network of member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by its member firms.

One of the main purposes of KPMG International is to facilitate the provision by member firms of high-quality Audit, Tax, and Advisory services to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies, standards of work and conduct by member firms, and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity that is legally separate from each member firm. KPMG International and the member firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

The name of each audit firm that is a member of the network and the EU/EEA countries in which each network member firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available at the following link.¹

Aggregated revenues generated by KPMG audit firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR2.7billion during the year ending 30th September 2017. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent calculable and translated at the average exchange rate prevailing in the 12 months ended 30th September 2017.²

6.2 Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

6.3 Professional Indemnity Insurance

A substantial level of insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a mutual insurer that is available to all KPMG member firms.

1 <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/12/eu-and-eea-audit-entities-list-30-09-2017.pdf>

2 *The financial information set forth represents combined information of the separate KPMG member firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

6. Network arrangements continued

6.4 Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms. It performs functions equivalent to a shareholders' meeting (albeit that KPMG International has no share capital and, therefore, only has members, not shareholders).

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 58 member firms that are "members" of KPMG International as a matter of Swiss law. Sublicensees are generally indirectly represented by a member.

Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving strategy, protecting and enhancing the KPMG brand, overseeing management of KPMG International, and approving policies and regulations. It also admits member firms and ratifies the global chairman's appointment of the global deputy chairman and members of the Global Management Team.

The Global Board includes the global chairman, the deputy chairman, the chairman of each of the three regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)) and a number of senior partners of member firms.

It is led by the Global Chairman who is supported by the Executive Committee, consisting of the Global Chairman, the Global Deputy Chairman, the Chairman of each of the regions and currently four other senior partners of member firms. The list of Global Board members, as at 1 October 2017 is available in the [International Annual Review](#)

One of the other Global Board members is elected as the lead director by those Global Board members who are not also members of the Executive Committee of the Global Board ("non-executive" members). A key role of the lead director is to act as liaison between the Global Chairman and the "non-executive" Global Board members.

Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing global strategy by working together with the Executive Committee. The Global Management Team also supports the member firms in their execution of the global strategy and is responsible for holding them accountable for commitments.

It is led by the Global Chairman and includes the Global Chief Operating Officer, Global Chief Administrative Officer, global function and infrastructure heads, and the General Counsel.

The list of Global Management Team members as at 1 October 2017 is available in the [International Annual Review](#)

Global Steering Groups

The Global Steering Groups work closely with regional and member firm leadership to:

- establish and communicate appropriate audit and quality/risk management policies;
- enable effective and efficient risk processes to promote audit quality; and
- proactively identify and mitigate critical risks to the network.

The Global Steering Groups act under the oversight of the Global Management Team. The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in Appendix 2 to the [KPMG International Transparency Report](#)

6. Network arrangements continued

Each member firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating or executive officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

Further details about KPMG International including the governance arrangements, can be found in Appendix 2 to the KPMG International Transparency Report.

6.5 *Area Quality & Risk Management Leaders*

The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders who:

- assess the effectiveness of a member firm's quality and risk management efforts to identify and mitigate significant risks to the member firm and network, and actively monitor alignment with global quality and risk management strategies and priorities;
- share leading best practices in quality and risk management; and
- report to Global Head of Quality, Risk and Regulatory.

7. Statement by the Boards of KPMG Isle of Man and Gibraltar on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG Isle of Man and Gibraltar outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firms comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Boards of KPMG Isle of Man and Gibraltar have considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programmes operated by our firms (including the KPMG International review programmes as described in section 3.7.1 and our local compliance monitoring programmes); and
- findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the Boards of KPMG Isle of Man and Gibraltar confirm with a reasonable level of assurance that the systems of quality control within our firms have operated effectively in the year to 30 September 2017.

Further, the Boards of KPMG Isle of Man and Gibraltar Limited confirm that an internal review of independence compliance within our firms has been conducted in the year to 30 September 2017.

Appendix 1

Key legal entities and areas of operation

Name of Entity	Legal Structure	Regulatory Status	Nature of Business	Area of Operation
KPMG LLC (100% owned by the members of KPMG LLC)	Isle of Man LLC	Not subject to audit. Regulated by the Isle of Man Financial Services Authority and ICAEW.	Professional Services	Isle of Man
KPMG Audit LLC (100% owned by the members of KPMG Audit LLC)	Isle of Man LLC	Not subject to audit. Regulated by the Isle of Man Financial Services Authority and ICAEW.	Audit and audit related services	Isle of Man
KPMG Limited (100% owned by KPMG Audit LLC)	Gibraltar limited company	Subject to audit under Gibraltar Rules. Regulated by the Gibraltar FSC.	Audit and audit related services	Gibraltar
KPMG Advisory Limited (100% owned by KPMG Limited)	Gibraltar limited company	None	Professional Services	Gibraltar

Appendix 2

Board of Directors of KPMG LLC

The Board of Directors consists of:



Greg Jones
EIP and Head of Tax



Russell Kelly*
Managing Director and Head
of Advisory



David Parsons
RMP



Nick Quayle*
Head of Audit



Micky Swindale
Advisory Director



Simon Nicholas
Audit RMP



Jon Tricker*
Managing Director
KPMG Gibraltar

* Also a member of the Board of Directors of KPMG Limited

Appendix 3

EU Public interest entities listing at 30 September 2017

KPMG Isle of Man

Integralife (UK) Limited

KPMG Gibraltar

Advantage Insurance Company Limited

Argus Insurance Company Limited

Lighthouse General Insurance Company Ltd

Lighthouse Life Assurance Company Ltd

London and Colonial Assurance Plc*

STM Life Assurance PCC Plc*

Turicum Private Bank Limited*

* We no longer act as statutory auditor to these entities.

Appendix 4

KPMG's global values

We lead by example

At all levels we act in a way that exemplifies what we expect of each other and our clients.

We work together

We bring out the best in each other and create strong and successful working relationships.

We respect the individual

We respect people for who they are and for their knowledge, skills and experience as individuals and team members.

We seek the facts and provide insight

By challenging assumptions and pursuing facts, we strengthen our reputation to provide insight as trusted and objective business advisers.

We are open and honest in our communication

We share information, insight and advice frequently and constructively and manage tough situations with courage and candor.

We are committed to our communities

We act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities.

Above all, we act with INTEGRITY

We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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