



UK Transparency Report 2023

Meeting our reporting requirements

In respect of the year ended **30 September 2023**

January 2024 | kpmg.com/uk/ourimpact

Meeting our reporting requirements

KPMG in the UK's [2023 Transparency Report](#) provides information about our firm's governance, culture, relentless focus on quality, and processes for risk management. Whilst KPMG is a multi-disciplinary firm, the report is primarily focused on our Audit practice and the policies and programmes we have in place to support audit quality.

The information disclosed relates to KPMG in the UK's activities as at 30 September 2023, and demonstrates compliance with the following reporting requirements:

- Audit Firm Governance Code (Revised 2016).
- Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019.
- The Local Auditors (Transparency) Regulations 2020.
- Consultative Committee of Accountancy Bodies Voluntary Code of Operative Practice on Disclosure of Audit Profitability (March 2009).

The pages that follow provide an overview of where information in response to each requirement can be found.



Audit Firm Governance Code (Revised 2016)

The [Audit Firm Governance Code \(Revised 2016\)](#) (the Code) is intended to enhance trust and confidence in the value of audit amongst the public and particularly investors. The Code applies to firms auditing 20 or more listed companies.

This version of the Code was issued in July 2016 and is applicable for financial years beginning on or after 1 September 2016. For the purposes of KPMG in the UK's 2023 Transparency Report, the 2016 Code has been applied.

Listed in the table below are the Provisions of the Code that require specific disclosure in a firm's Transparency Report, or on the firm's website, and KPMG's response to each of these.

Compliance with requirements of Audit Firm Governance Code

The Board of KPMG LLP is responsible for the Firm's system of internal controls and for reviewing its effectiveness. The Board has reviewed the provisions of the 2016 Audit Firm Governance Code (which span beyond the Transparency Report related provisions below) and confirms that the Firm complied with these provisions throughout the year ended 30 September 2023.

Audit Firm Governance Code (2022)

In 2022, the FRC published an updated version of the Code, which supersedes the 2016 Code and is applicable for financial years beginning on or after 1 January 2023. This 2022 Code will therefore be applied to KPMG in the UK's 2024 Transparency Report (next year's report).

Principles and Provisions

Where information in response to each Provision can be found

A Leadership

A.1 Owner accountability principle

The management of a firm should be accountable to the firm's owners and no individual should have unfettered powers of decision.

A.1.2 The firm should state in its transparency report how its governance structures and management operate, their duties and the types of decisions they take. In doing so the firm should explain how its governance structure provides oversight of both the audit practice and the firm as a whole with a focus on ensuring the Code's purpose, is achieved. If the management and/or governance of the firm rests at an international level it should specifically set out how management and oversight of audit, is undertaken and the Code's purpose achieved in the UK.

For information about the governance structure of KPMG in the UK, visit: [Our leadership](#).

For information about the KPMG global organisation, refer to: [Appendix 1: Legal structure](#).

A.1.3 The firm should state in its transparency report the names and job titles of all members of the firm's governance structures and its management, how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details.

For information about UK Board and Board Committee membership for the year ended 30 September 2023 refer to: [Appendix 4: Board and Committees of the Board membership](#).

For information about UK Board and Board Committee meeting attendance for the year ended 30 September 2023, refer to: [Appendix 2: Meeting attendance records for the year ended 30 September 2023](#).

For information about the current governance structure of KPMG in the UK, including the information on how members are elected or appointed, visit: [Our leadership](#).

A.2 Management principle

A firm should have effective management which has responsibility and clear authority for running the firm.

A.2.1 Management should have terms of reference that include clear authority over the whole firm including its non-audit businesses and these should be disclosed on the firm's website.

For information about the current governance structure of KPMG in the UK, including the terms of reference for the Board and its Committees, visit: [Our leadership](#).

Audit Firm Governance Code (Revised 2016)

Continued

Principles and Provisions	Where information in response to each Provision can be found
B Values	
B.1 Professionalism principle	
A firm should perform quality work by exercising judgement and upholding values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour in a way that properly takes the public interest into consideration and meets auditing and ethical standards.	
B.1.2 Firms should introduce KPIs on the performance of their governance system, and report on performance against these in their transparency reports.	Refer to: Appendix 3: Key performance indicators for our governance system .
B.1.3 The firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and independent non-executives should oversee compliance with it.	KPMG in the UK's Code of Conduct can be found here here . For information about the current governance structure of KPMG in the UK, including the terms of reference for the Board and its Committees, visit: Our leadership .
C Independent Non-Executives	
C.1 Involvement of independent non-executives principle	
A firm should appoint independent non-executives to the governance structure who through their involvement collectively enhance the firm's performance in meeting the purpose of the Code.	
C.1.1 Independent non-executives should number at least three and be in the majority on a body that oversees public interest matters; and/or be members of other relevant governance structures within the firm. They should also meet as a separate group to discuss matters relating to their remit. They should have full visibility of the entirety of the business but should pay particular attention to and report on risks to audit quality and how they are addressed. If a firm considers that having three INEs is inappropriate given its size or number of public company clients, it should explain this in its transparency report and ensure a minimum of two at all times. Where the firm adopts an international approach to its management it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this market; or explain why it regards a smaller number to be more appropriate, in which event there should be a minimum of two.	KPMG has six Independent Non-Executives. Four are Independent Non-Executives as contemplated in the Audit Firm Governance Code 2016, and three are Audit Non-Executives as contemplated in the Audit Firm Governance Code 2022; one of the Independent Non-Executives is both an INE and ANE. The Public Interest Committee comprises the four Independent Non-Executives. The Audit Board comprises the three Audit Non-Executives, and two partners. For current information about these groups, and their members, visit: Our leadership . (Independent oversight). Also refer to: Statement by the Independent Non-Executives and Audit Non-Executives .
C.1.2 The firm should disclose on its website and in its transparency report information about the appointment, retirement and resignation of independent non-executives; their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its independent non-executives in the way it has (for example, as members of the main Board or on a public interest committee). The firm should also disclose on its website the terms of reference and composition of any governance structures whose membership includes independent non-executives.	For the year ending 30 September 2023, there were no new appointments, retirements and resignations of Independent Non-Executives. More information on the Independent Non-Executives in role for the year can be found here: Appendix 4: Board and Committees of the Board membership . For information about the approach taken to independent oversight at KPMG in the UK: — visit: Our leadership (Independent oversight); and — refer to: Statement by the Independent Non-Executives and Audit Non-Executives .

Audit Firm Governance Code (Revised 2016)

Continued

Principles and Provisions	Where information in response to each Provision can be found
<p>C.1.3 The independent non-executives should report in the firm's transparency report on how they have worked to meet the purpose of the Code defined as:</p> <ul style="list-style-type: none"> — Promoting audit quality. — Helping the firm secure its reputation more broadly, including in its non-audit businesses. — Reducing the risk of firm failure. 	<p>For information about the approach taken to independent oversight at KPMG in the UK:</p> <ul style="list-style-type: none"> — visit: Our leadership (Independent oversight); and — refer to: Statement by the Independent Non-Executives and Audit Non-Executives.
<p>C.2 Characteristics of independent non-executives principle</p> <p>The independent non-executives' duty of care is to the firm. They should command the respect of the firm's owners and collectively enhance shareholder confidence by virtue of their independence, number, stature, experience and expertise. They should have a balance of relevant skills and experience including of audit and a regulated sector. At least one independent non-executive should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company's finance function, as an investor or at an audit firm.</p>	
<p>C.2.1 The firm should state in its transparency report its criteria for assessing the impact of independent non-executives on the firm's independence as auditors and their independence from the firm and its owners.</p>	<p>Visit: Our leadership (Independent oversight).</p>
<p>C.3 Rights and responsibilities of independent non-executives principle</p> <p>Independent non-executives of a firm should have rights consistent with their role including a right of access to relevant information and people to the extent permitted by law or regulation, and a right to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly.</p>	
<p>C.3.6 The firm should establish, and disclose on its website, procedures for dealing with any fundamental disagreement that cannot otherwise be resolved between the independent non-executives and members of the firm's management team and/or governance structures.</p>	<p>Refer to Our leadership (Independent oversight) for:</p> <ul style="list-style-type: none"> — Public Interest Committee Terms of Reference. — Audit Board Terms of Reference.
<p>D Operations</p>	
<p>D.1 Compliance principle</p> <p>A firm should comply with professional standards and applicable legal and regulatory requirements. Operations should be conducted in a way that promotes audit quality and the reputation of the firm. The independent non-executives should be involved in the oversight of operations.</p>	
<p>D.1.3 The firm should state in its transparency report how it applies policies and procedures for managing potential and actual conflicts of interest.</p>	<p>Refer to: Quality control and risk management (Maintaining an objective and independent mindset).</p>
<p>D.2 Risk management principle</p> <p>A firm should maintain a sound system of internal control and risk management over the operations of the firm as a whole to safeguard the firm and reassure stakeholders.</p>	
<p>D.2.2 The firm should state in its transparency report that it has performed a review of the effectiveness of the system of internal control, summarise the process it has applied and confirm that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review. It should also disclose the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary.</p>	<p>Refer to Quality control and risk management for:</p> <ul style="list-style-type: none"> — Statement by the Board on the effectiveness of internal controls (page 19) — Statement on the effectiveness of the System of Quality Management (page 2)

Audit Firm Governance Code (Revised 2016)

Continued

Principles and Provisions

Where information in response to each Provision can be found

D.3 People management principle

A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code.

D.3.1 The firm should disclose on its website how it supports its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code through recruitment, development activities, objective setting, performance evaluation, remuneration, progression, other forms of recognition, representation and involvement.

Refer to: [People and Culture](#).

D.4 Whistleblowing principle

A firm should establish and apply confidential whistleblowing policies and procedures across the firm which enable people to report, without fear, concerns about the firm's commitment to quality work and professional judgement and values in a way that properly takes the public interest into consideration.

The independent non-executives should be satisfied that there is an effective whistleblowing process in place.

D.4.1 The firm should report to independent non-executives on issues raised under its whistleblowing policies and procedures and disclose those policies and procedures on its website.

For information on the independent oversight of these matters, refer to [Our leadership](#) (Independent oversight) for:

- [Statement by the Independent Non-Executives and Audit Non-Executives](#).
- [Report of the Public Interest Committee's activities during the year \(as at 30 September 2023\)](#).
- [Report of the Audit Board's activities during the year \(as at 30 September 2023\)](#).

For more information on the firm's whistleblowing processes, visit: [Whistle-blowing hotline \(Speak-Up Hotline\)](#).

E Reporting

E.2 Governance reporting principle

A firm should publicly report how it has applied in practice each of the principles of the Audit Firm Governance Code and make a statement on its compliance with the Code's provisions or give a considered explanation for any non-compliance.

E.2.1 The firm should publish on its website an annual transparency report containing the disclosures required by Code Provisions A.1.2, A.1.3, B1.2, C.2.1, D.1.3, D.2.2, E.2.2 and E.3.1.

Refer to the rows above and below within this table.

E.2.2 In its transparency report the firm should give details of any additional provisions from the UK Corporate Governance Code which it has adopted within its own governance structure.

Refer to: [Appendix 5: UK Corporate Governance Code \(2018\)](#).

E.3 Transparency principle

A firm should publish on an annual basis in its transparency report a commentary on the firm's performance, position and prospects.

E.3.1 The firm should confirm that it has carried out a robust assessment of the principal risks facing the audit firm, including those that would threaten its business model, future performance, solvency or liquidity. The firm should describe those risks and explain how they are being managed or mitigated.

Refer to: [Quality control and risk management](#) (Our quality control and risk management systems – Principal risks).

Audit Firm Governance Code (Revised 2016)

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Principles and Provisions

Where information in response to each Provision can be found

E.3.2 The transparency report should be fair, balanced and understandable in its entirety.

The Board has considered the disclosures within the 2023 Transparency Report and considers the report to be fair, balanced and understandable and in compliance with the 2016 Audit Firm Governance Code. The Board notes that the 2022 version of the Code will apply to the 2024 Transparency Report.

E.4 Reporting quality principle

A firm should establish formal and transparent arrangements for monitoring the quality of external reporting and for maintaining an appropriate relationship with the firm's auditors.

E.4.1 The firm should establish an audit committee and disclose on its website information on the committee's membership and terms of reference which should deal clearly with its authority and duties, including its duties in relation to the appointment and independence of the firm's auditors. On an annual basis, the audit committee should publish a description of its work and how it has discharged its duties.

For information about the Audit Committee, including its members, terms of reference, and activities during the year, visit: [Our leadership](#).

F Dialogue

F.1 Firm dialogue principle

A firm should have dialogue with listed company shareholders, as well as listed companies and their audit committees, about matters covered by this Audit Firm Governance Code to enhance mutual communication and understanding and ensure that it keeps in touch with shareholder opinion, issues and concerns.

F.1.1 The firm should disclose on its website its policies and procedures, including contact details, for dialogue about matters covered by this Audit Firm Governance Code with listed company shareholders and listed companies. It should also report on the dialogue it has had during the year. These disclosures should cover the nature and extent of the involvement of independent non-executives in such dialogue.

For information on KPMG's approach to internal and external dialogue refer to: [Audit Quality](#) (Communicate effectively).

For information on the Independent Non Executives and Audit Non Executives annual engagement programme refer to: [Statement by the Independent Non-Executives and Audit Non-Executives](#).

Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

[Article 13 \(Transparency Report\) of Regulation \(EU\) No 537/2014 of the European Parliament and of the Council](#) – as amended by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019](#) – requires a statutory auditor that carries out the statutory audit of a public interest entity, to publish a signed, annual transparency report (see [2023 KPMG UK Transparency Report](#)).

The Regulation requires that the Report is published at the latest four months after the end of each financial year, on the website of the statutory auditor, and shall remain available on that website for at least five years from the day of its publication on the website (KPMG in the UK's historical reports can be found in our [Report hub](#)).

The Regulation requires the Report to comprise specific disclosures. KPMG in the UK's response to these requirements is shown below.

Paragraph	Requirement	Where information in response to each Paragraph can be found
2 (a)	A description of the legal structure and ownership of the statutory auditor, if it is a firm;	Refer to: Appendix 1: Legal structure .
2 (b)	Where the statutory auditor is a member of a network:	
	i. a description of the network and the legal and structural arrangements in the network;	Refer to: Appendix 1: Legal structure .
	ii. the name of each member of the network that is eligible for appointment as a statutory auditor, or is eligible for appointment as an auditor in an EEA state or Gibraltar;	<u>Gibraltar</u> KPMG operates in Gibraltar through KPMG LLP's wholly owned subsidiary, KPMG Limited, a company registered in Gibraltar. KPMG Limited is approved as a statutory auditor by the Gibraltar Financial Services Commission under the Gibraltar Financial Services Act 2019. Refer to: 2023 Gibraltar Transparency Report .
	iii. for each member of the network identified under paragraph (ii), the countries in which they are eligible for appointment as auditors or in which they have a registered office, central administration or principal place of business;	<u>EU/EEA countries</u> The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available here .

Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

Continued

Paragraph	Requirement	Where information in response to each Paragraph can be found
	iv. the total turnover of the members of the network identified under (ii) resulting from statutory audit work or equivalent work in EEA states of Gibraltar;	<p><u>Gibraltar</u></p> <p>Refer to: 2023 KPMG Gibraltar Transparency Report (Financial information)</p> <p><u>EU/EEA Member States¹</u></p> <p>Aggregated revenues generated by KPMG firms², from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.4 billion during the year ending 30 September 2023.</p> <p>The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2023.</p> <p>The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available here.</p>
2 (c)	A description of the governance structure of the statutory auditor, if it is a firm;	For information about the current governance structure of KPMG in the UK, including the terms of reference for the Board and its Committees, visit: Our leadership .
2 (d)	A description of the internal quality control system of the statutory auditor and a statement by the management body on the effectiveness of its functioning;	<p>Refer to: Quality control and risk management:</p> <ul style="list-style-type: none"> — Statement by the Board on the effectiveness of internal controls (page 19) — Statement on the effectiveness of the System of Quality Management (page 2)
2 (e)	An indication of when the last quality assurance review referred to in Article 26 was carried out;	Refer to: Audit quality (Perform quality engagements).
2 (f)	A list of public-interest entities for which the statutory auditor carried out statutory audits during the preceding financial year;	Refer to: Appendix 6: UK Public Interest Entities .
2 (g)	A statement concerning the statutory auditor's independence practices which also confirms that an internal review of independence compliance has been conducted;	Refer to: Quality control and risk management (Maintaining an objective and independent mindset).

¹ The financial information set forth represents combined information of the separate KPMG 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.

² Does not include revenues from the UK, or Gibraltar.

Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

Continued

Paragraph	Requirement	Where information in response to each Paragraph can be found
2 (h)	A statement on the policy followed by the statutory auditor concerning the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006;	Refer to: <ul style="list-style-type: none"> — Audit quality (Apply expertise and knowledge). — For information on how we ensure Key Audit Partners remain competent to deliver local audits, refer to: Appendix 8: UK Major Local Audits listing.
2 (i)	Information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm;	Refer to: People and culture (Uphold the highest ethical and quality standards).
2 (j)	A description of the statutory auditor's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7);	Refer to: Quality control and risk management (Maintaining an objective and independent mindset).
2 (k)	Where not disclosed in accounts, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories: <ol style="list-style-type: none"> revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity; revenues from the statutory audit of accounts of other entities; revenues from permitted non-audit services to entities that are audited by the statutory auditor; and revenues from non-audit services to other entities. 	Refer to: Appendix 7: Financial information .
3	The transparency report shall be signed by the statutory auditor	Visit: 2023 KPMG UK Transparency Report .

The Local Auditors (Transparency) Regulations 2020

[The Local Auditors \(Transparency\) Regulations 2020](#) requires a “transparency reporting local auditor” (a local auditor that has issued an audit report in relation to one or more major local audits at any time during the financial year of that local auditor) to publish a signed, annual transparency report (see [2023 KPMG UK Transparency Report](#)). The Regulation requires that the Report is published at the latest four months after the end of each financial year, on the website of the transparency reporting local auditor,

and shall remain available on that website for at least five years from the day of its publication on the website (KPMG in the UK’s historical Reports can be found in our [Report hub](#)).

The Regulation requires the Report to comprise specific disclosures. KPMG in the UK’s response to these requirements is shown below.

Paragraph	Requirement	Where information in response to each Paragraph can be found
(a)	A description of the legal structure, governance and ownership of the transparency reporting local auditor;	For information about the governance structure of KPMG in the UK, visit: Our leadership . For information about the legal structure of KPMG in the UK, refer to: Appendix 1: Legal structure .
(b)	Where the transparency reporting local auditor belongs to a network, a description of the network and the legal, governance and structural arrangements of the network;	Refer to: Appendix 1: Legal structure .
(c)	A description of the internal quality control system of the transparency reporting local auditor and a statement by the administrative or management body on the effectiveness of its functioning in relation to local audit work;	Refer to Quality control and risk management for: — Statement by the Board on the effectiveness of internal controls (page 19) — Statement on the effectiveness of the System of Quality Management (page 2)
(d)	A description of the transparency reporting local auditor’s independence procedures and practices including a confirmation that an internal review of independence practices has been conducted;	Refer to: Quality control and risk management (Maintaining an objective and independent mindset).
(e)	Confirmation that all engagement leads are competent to undertake local audit work and staff working on such assignments are suitably trained;	Refer to: Appendix 8: UK Major Local Audits listing .
(f)	A statement of when the last monitoring of the performance by the transparency reporting local auditor of local audit functions, within the meaning of paragraph 23 of Schedule 10 to the 2006 Act, as applied in relation to local audits by Section 18 and paragraphs 1, 2 and 28(7) of Schedule 5 to the 2014 Act, took place;	Refer to: Audit quality (Perform quality engagements).
(g)	A list of major local audits in respect of which an audit report has been made by the transparency reporting local auditor in the financial year of the auditor; and any such list may be made available elsewhere on the website specified in regulation 4 provided that a clear link is established between the transparency report and such a list;	Refer to: Appendix 8: UK Major Local Audits listing .
(h)	A statement on the policies and practices of the transparency reporting local auditor designed to ensure that persons eligible for appointment as a local auditor continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level;	Refer to: Appendix 8: UK Major Local Audits listing .
(i)	Turnover for the financial year of the transparency reporting local auditor to which the report relates, including the showing of the importance of the transparency reporting local auditor’s local audit work; and	Refer to: Appendix 7: Financial information .
(j)	Information about the basis for the remuneration of partners.	Refer to: People and culture (Uphold the highest ethical and quality standards).

Consultative Committee of Accountancy Bodies Voluntary Code of Operative Practice on Disclosure of Audit Profitability (March 2009)

Following the recommendation from the Market Participants Group in 2007 that “audit firms should disclose the financial results of their work on statutory audits and directly related services on a comparable basis”, the Consultative Committee of Accountancy Bodies developed guidance (the Code) for audit firms on the voluntary disclosure of this information.

The Code establishes a basis for comparable reporting of audit profitability by defining the audit segment (the ‘reportable segment’) and suggesting principles designed to achieve more comparable and consistent treatment of costs relating to that segment.

KPMG in the UK’s voluntary disclosure of this information can be found in [Appendix 7: Financial information](#).

Appendices

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Appendix 1: Legal structure

Legal structure

KPMG LLP is constituted as a limited liability partnership under the Limited Liability Partnerships Act 2000. The capital in KPMG LLP is contributed by its members (the members are referred to as partners).

KPMG LLP is part of the KPMG global organisation of professional services firms providing Audit, Tax, and Advisory services to a wide variety of public and private sector organisations. The KPMG organisation structure is designed to support consistency of service quality and adherence to agreed Values wherever its member firms operate.

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a multinational corporate entity. KPMG member firms are generally locally owned and managed. Each KPMG 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.

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly, to clients. Professional services to clients are exclusively provided by member firms.

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.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, 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, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

Further detail on the revised legal and governance arrangements for the KPMG global organisation can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

Governance

KPMG International's governance bodies are comprised of the Global Council, the Global Board (including its committees), the Global Management Team and the Global Steering Groups. Further details on KPMG International's governance structure can be found in the [KPMG International Transparency Report](#).

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements³

Aggregated revenues generated by KPMG firms⁴, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.4 billion during the year ending 30 September 2023.

The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2023.

The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available [here](#).

³ The financial information set forth represents combined information of the separate KPMG 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.

⁴ Does not include revenues from UK.

Appendix 2: Meeting attendance records for the year ended 30 September 2023

Key information

- The number of meetings included are formal meetings.
- Numbers in *blue italics* relate to standing invitees of the Committees only and as such attendance is optional.
- Meetings eligible to attend are shown in brackets.
- For the Audit Board, the Chair and the Chief Risk Officer are invited on a periodic basis.

	Board	Public Interest Committee	Audit Board	Audit Committee	People Committee	Risk Committee	Nomination Committee	Executive Committee
Bina Mehta	11 (11)	<i>4 (4)</i>	<i>3 (3)</i>	-	<i>8 (10)</i>	<i>5 (7)</i>	4 (4)	-
Jonathan Holt	12 (12)	-	-	-	-	-	-	14 (14)
Annette Barker	12 (12)	-	-	-	10 (10)	7 (7)	7 (7)	-
John Bennett	-	<i>4 (4)</i>	<i>1 (1)</i>	<i>5 (7)</i>	-	<i>6 (7)</i>	-	12 (14)
Anne Bulford	<i>8 (8)</i>	4 (4)	-	<i>5 (7)</i>	-	-	-	-
Catherine Burnet	-	-	<i>8 (8)</i>	-	-	-	-	14 (14)
Liz Claydon	-	-	-	-	-	-	-	14 (14)
Tim Jones ⁵	-	-	-	-	<i>2 (2)</i>	-	-	3 (3)
Lisa Fernihough ⁶	-	-	-	-	<i>6 (6)</i>	-	-	10 (10)
Jonathan Evans	<i>8 (9)</i>	4 (4)	-	-	-	<i>6 (7)</i>	<i>3 (4)</i>	-
Jonathan Downer	12 (12)	-	8 (8)	6 (7)	-	-	-	-
Melissa Geiger	12 (12)	-	-	-	7 (10)	-	6 (7)	-
John Hallsworth ⁷	12 (12)	-	-	-	10 (10)	6 (6)	6 (7)	-
Oonagh Harpur	<i>8 (8)</i>	4 (4)	<i>4 (4)</i>	-	<i>9 (10)</i>	-	-	-
Victoria Heard	-	-	-	-	-	-	-	12 (14)
Chris Hearld	12 (12)	-	-	<i>6 (7)</i>	-	-	-	13 (14)
Melanie Hind	-	-	7 (8)	-	-	-	-	-
Rachel Hopcroft	-	-	-	-	-	-	-	13 (14)
Claire Ighodaro	<i>8 (8)</i>	<i>3 (4)</i>	8 (8)	-	-	-	-	-
Anthony Lobo	11 (12)	-	8 (8)	7 (7)	-	6 (7)	-	-
Linda Main ⁸	12 (12)	-	-	7 (7)	7 (7)	7 (7)	-	-
Kathleen O'Donovan	<i>6 (8)</i>	4 (4)	7 (8)	-	-	-	-	-
David Rowlands	-	-	-	-	-	-	-	11 (14)
Suzanne Shenton	-	-	-	-	-	-	-	12 (14)
Dan Thomas	-	-	-	-	-	-	-	12 (14)

⁵ Tim Jones was a member of the Executive Committee in his capacity as Interim Chief People Officer until his retirement from the Firm on 31 December 2022.

⁶ Lisa Fernihough was appointed a member of the Executive Committee in her capacity as Chief People Officer on 1 January 2023.

⁷ John Hallsworth became a member of the Risk Committee on 9 November 2022.

⁸ Linda Main became a member of the People Committee and Nominations Committee on 9 November 2022.

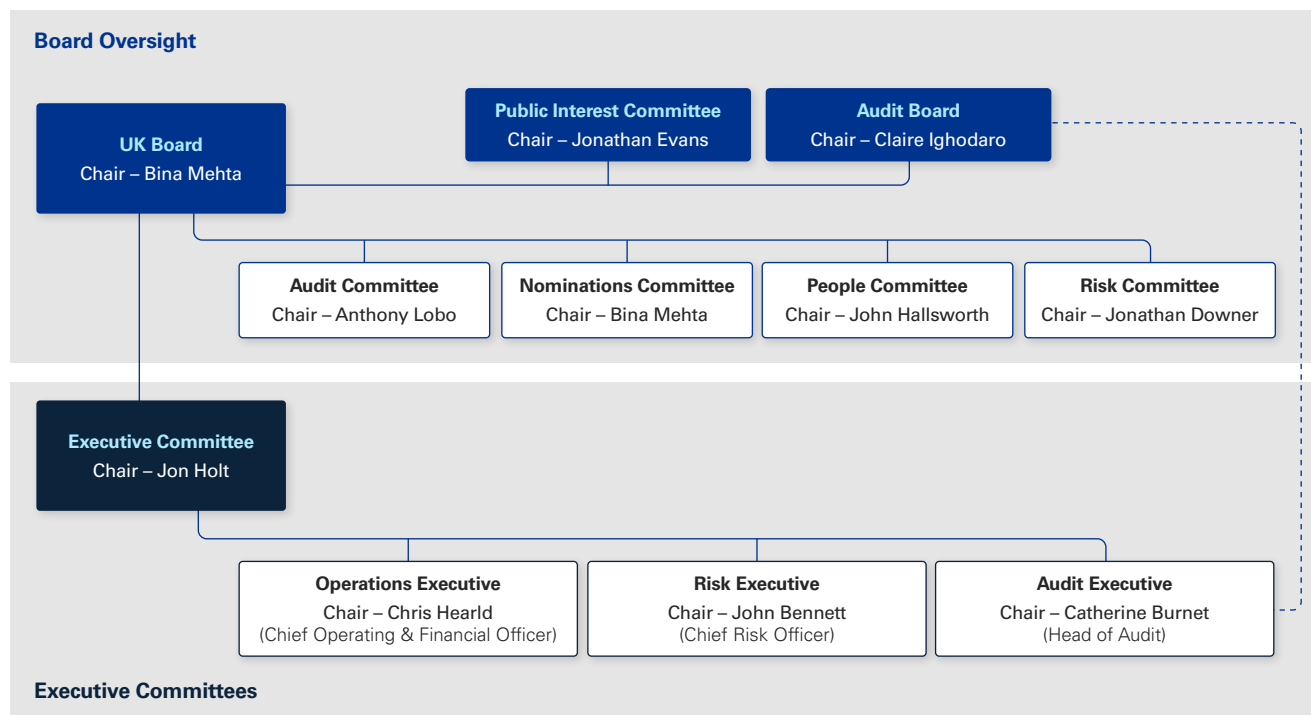
Appendix 3: Key performance indicators for our governance system

Our governance KPIs are selected for purposes of assessing the performance of our governance arrangements from the perspectives of not only ensuring there is regular, skilled and diverse oversight of the firm's delivery of its strategic and public interest objectives, but also maintaining the independence and objectivity of that oversight.

Requirement	Response
The Board should meet at least six times each year with a minimum attendance target of 80% over a 12-month rolling period.	The Board had twelve formal meetings and one ad-hoc meeting with members average attendance of 100%.
The gender diversity of the Board should be composed of a minimum one third women.	At 30 September 2023 the Board included 44% female members.
There should be a diverse range of skills represented in the composition of the Board (by reference to each triennial evaluation of Board effectiveness).	There is a diverse range of skills represented on the Board. The appointment of nominated Board members provides a mechanism for maintaining appropriate diversity of skills.
As part of the firm's culture assessment, the firm should hold an annual People Survey or Pulse Survey, with the Board acting upon the findings.	A Global People Survey was undertaken in autumn 2022. The UK findings (which provide data on engagement and other key metrics about partners' and employees' relationships with the firm) were tabled at the Board with appropriate action discussed.
There should be at least three UK INEs, and the Public Interest Committee should meet at least four times each year. On an annual basis, the Board must satisfy itself that the INEs remain independent from the firm.	At 30 September 2023 there were four INEs. The Public Interest Committee had four formal meetings during the year. The Board has considered and (based on compliance returns, disclosures and relevant independence checks) is satisfied that the INEs remain independent from the firm.
The Audit Board should meet at least six times each year to oversee the focus on audit quality.	The Audit Board had seven formal meetings and one ad-hoc meeting.
The Board should review the annual Transparency Report to satisfy itself that it is fair, balanced and understandable, and complies with the Audit Firm Governance Code, or explains otherwise.	The Board has considered the disclosures within the Transparency Report and considers the report to be fair, balanced and understandable and in compliance with the Audit Firm Governance Code.
The terms of reference for all Board Committees are reviewed annually as a minimum.	The terms of reference for all Board Committees were reviewed during the year.
External Board evaluation conducted tri-annually.	An external review was initiated in the summer of 2022.
There is an annual self-assessment of Board and Committees' effectiveness (unless external review is undertaken).	An external review of Board effectiveness was initiated during 2022.
The Board comprises a minimum of one practising audit partner.	During the year the Board included Jonathan Downer as a practising auditor.
Board comprises more than 50% members who are qualified auditors (per s.1219 of the Companies Act 2006 or equivalent). The cumulative number of Elected Board Members and Nominated Board Members of the Board shall always make up the majority of the Board. There shall at all times be a majority of Qualified Individuals (under the applicable auditor qualifications regulations) as members of the Board, as set out in the LLP Agreement; of which at least one of the Elected Board Members or Nominated Board Members shall be practising auditors.	During the year, and as at 30 September 2023, the Board comprised 78% of members who are qualified auditors, and at least one of the Elected or Nominated Board Members was a practising auditor.
The Board should satisfy itself on at least an annual basis that a formal programme of investor dialogue is occurring.	The Board has assessed that an appropriate level of investor dialogue is in place as summarised here: Audit Quality (Communicate effectively).

Appendix 4: Board and Committees of the Board membership

Governance structure at 30 September 2023



UK Board

Our UK Board as at 30 September 2023 comprised the Chair, the Chief Executive, the Senior Elected Member, four other Elected Members, one Nominated Member and one other Executive Member.

Bina Mehta Chair

Bina has been a partner since 2015. Bina became Chair of the Board in February 2021 (as at the year-end, this equates to two years of service as Chair).

Jon Holt Chief Executive

Jon has been a partner since 2005. Jon became a member of the Board in April 2021 (as at the year-end, this equates to two years of service as a member of the Board).

Linda Main* Elected member

Linda has been a partner since 2001 and joined the Board in October 2019 (as at the year-end, this equates to four years of service as a member of the Board). She chairs the Risk Committee and is a member of the Audit Committee.

Melissa Geiger* Senior Elected Member

Melissa has been a partner since 2008 and joined the Board in October 2019 (as at the year-end, this equates to approximately four years of service as a member of the Board). Melissa is a member of the People Committee.

Annette Barker* Elected Member

Annette has been a partner since 2016 and joined the Board in October 2020 (as at the year-end, this equates to approximately three years of service as a member of the Board). Annette is a member of the Risk Committee and People Committee.

John Hallsworth* Elected Member

John has been a partner since 2010 and joined the Board in September 2021 (as at the year-end, this equates to approximately two years of service as a member of the Board). He is Chair of the People Committee.

Anthony Lobo* Elected Member

Anthony has been a partner since 2007 and joined the Board in November 2020 (as at the year-end, this equates to approximately three years of service as a member of the Board). Anthony is Chair of the Audit Committee and a member of the Audit Board and Risk Committee.

Jonathan Downer* Nominated Member

Jonathan has been a partner since 2006 and joined the Board in March 2022 (as at the year-end, this equates to nineteen months of service as a member of the Board). Jonathan is a member of the Audit Committee and Audit Board and practising auditor.

Chris Hearld
Chief Operating and Financial Officer
Chris Hearld was appointed as an Executive Member of the Board in his capacity as Chief Operating and Financial Officer with effect from 1 October 2022 (as at year-end, this equates to one year of service as a member of the Board).

* For changes close to, or after, year end, see page 20.

Appendix 4: Board and Committees of the Board membership

Continued

The Executive Committee

Jon Holt

Chief Executive

Jon has been a partner since 2005. Jon became Chair of the Executive Committee in April 2021 (as at the year-end, this equates to over two years of service as Chair).

Chris Hearld

Chief Operating and Financial Officer

Chris has been a partner since 2004. Chris has been a member of the Executive Committee since June 2019 (as at the year-end, this equates to over four years of service as a member of the Executive Committee).

Cath Burnet

Head of Audit

Cath has been a partner since 2011. Cath has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

John Bennett

Chief Risk Officer

John has been a partner since 2013. John has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

Rachel Hopcroft

Head of Corporate Affairs

Rachel has been a partner since 2018. Rachel has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

David Rowlands*

Head of Consulting

David has been a partner since 2009. David has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

Liz Claydon*

Head of Deal Advisory

Liz has been a partner since 2007. Liz has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

Victoria Heard

Head of Tax and Legal

Victoria has been a partner since 2014. Victoria has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

Dan Thomas

Head of Markets

Dan has been a partner since 2008. Dan has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years of service as a member of the Executive Committee).

Suzanne Shenton*

Head of KBS and Transformation

Suzanne has been a partner since 2017. Suzanne has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over two years year of service as a member of the Executive Committee).

Lisa Fernihough*

Chief People Officer

Lisa has been a partner since 2011. Lisa has been a member of the Executive Committee since 1 January 2023 (as at year-end, this equates to nine months as a member).

* For changes close to, or after, year end, see page 20.

Appendix 4: Board and Committees of the Board membership

Continued

Independent Non-Executives as at 30 September 2023

There were no new appointments, retirements or resignations of Independent Non-Executives during the year.

Lord Evans of Weardale

Chair of the Public Interest Committee

Jonathan Evans joined the Public Interest Committee on 23 March 2017 and became its Chair on 1 October 2019. Jonathan was Director General of MI5 from 2007 to his retirement in 2013, having spent his career in the UK Security Service.

From 2013 to 2019 he was a Non-Executive Director of HSBC Holdings and between 2018 – 2023 he was the Chair of the Committee on Standards in Public Life. Jonathan is currently a Non-Executive Director of Ark Data Centres Limited, an advisor to several small tech companies and Chairman of The HALO Trust.

Jonathan also became a member of the International Advisory Council of the Institute of Business Ethics in January 2024.

Anne Bulford CBE

Member of the Public Interest Committee

Anne joined the Public Interest Committee on 1 May 2019. She is a Chartered Accountant, a Non-Executive Director of Reach plc, Chair of GOSH Children's Charity and a Royal Ballet Governor. Previous roles include Non-Executive member of the Executive Committee of the Army Board, Deputy Director General of the BBC, Channel 4's Chief Operating Officer, Director of Finance and Business Affairs at the Royal Opera House, Chair of Ofcom's Audit Committee and Finance Director at Carlton Productions.

Oonagh Harpur

Member of the Public Interest Committee

Oonagh Harpur joined the Public Interest Committee on 30 April 2018. Oonagh has over 30 years' experience in the boardroom including 14 years in CEO roles in the private, public and third sectors. Her experience spans partnerships and professional service firms, financial and health services.

Oonagh is also a member of the Civil Service Talent Advisory Group and the Culture Observatory Advisory Board, a trustee of the Scientific and Medical Network and senior board advisor to a number of professional service firms.

Kathleen O'Donovan

Member of the Public Interest Committee and Audit Board

Kathleen O'Donovan joined the Public Interest Committee on 1 July 2019. Kathleen is currently the Chair of the Invensys Pension Scheme and Founder Partner of Bird & Co Board & Executive Mentoring Ltd.

Formerly she has held Non-Executive Director roles at ARM Holdings Plc, D S Smith plc, Prudential plc, O2 Plc, Great Portland Estates plc, EMI Group plc and the Bank of England. Kathleen was also co-Chair of International Rescue Committee UK, a charity supporting conflict zone refugees. Kathleen trained as a Chartered Accountant and her previous roles include CFO of BTR plc/Invensys plc and Partner at EY.

Audit Non-Executives as at 30 September 2023

Claire Ighodaro CBE

Chair of the Audit Board (Audit Non-Executive)

Claire Ighodaro CBE is Non-Executive Director and Remuneration Committee Chair of Pennon Group PLC, was Board Chair of AXA XL UK and a Leadership Council Member of TheCityUK. Previous board roles also include Audit Committee Chair of Lloyd's of London, Flood Re, UK Trade & Investment and the Open University, Governance Committee Chair of Bank of America's Merrill Lynch International and Board Member of IESBA (the International Ethics Standards Board for Accountants). She was a senior executive at BT PLC, working in the UK and Germany and was the first female global President of CIMA (the Chartered Institute of Management Accountants).

Claire is a volunteer mentor on both executive and young people's development programmes. She was awarded an honorary doctorate by the Open University and received a CBE for services to business.

Melanie Hind

Member of the Audit Board

Melanie Hind is a former PwC audit and advisory partner, a former Chief Risk Officer and held the role of Executive Director at the FRC between 2012 and 2018. Since then, she has advised on accounting and audit regulation, and in 2020 acted as Head of Assurance Quality at BDO International.

Melanie has also held non-executive roles associated with her role at the FRC; she was a board member of the International Forum of Independent Audit Regulators, chairing its Global Audit Quality working group, and is a former member of the Advisory Council to the International Financial Reporting Standards Foundation.

Melanie has experience as an independent board member in the private and non-profit sectors in the UK and USA. She was a Board member and Chair of the Risk, Audit and Compliance Committee for the UK Municipal Bonds Agency and is currently a Board Member of My Sister's Place.

Kathleen O'Donovan

Member of the Public Interest Committee and Audit Board

Kathleen O'Donovan joined the Public Interest Committee on 1 July 2019. Kathleen is currently the Chair of the Invensys Pension Scheme and Founder Partner of Bird & Co Board & Executive Mentoring Ltd.

Formerly she has held Non-Executive Director roles at ARM Holdings Plc, D S Smith plc, Prudential plc, O2 Plc, Great Portland Estates plc, EMI Group plc and the Bank of England. Kathleen was also co-Chair of International Rescue Committee UK, a charity supporting conflict zone refugees. Kathleen trained as a Chartered Accountant and her previous roles include CFO of BTR plc/Invensys plc and Partner at EY.

Appendix 4: Board and Committees of the Board membership

Continued

Changes close to, or after, the year end

We made no significant changes to our overall governance structure in 2023. However, we did make some changes to the composition of our Board and Board Committees, along with changes to the terms of reference. These changes were as follows:

Changes effective close of business 30 September 2023 are as follows:

- Linda Main retired from the Board, the Nominations Committee, the Audit Committee and the Risk Committee (where she was Chair) effective 30 September 2023.
- Melissa Geiger stepped down as a member of the People Committee effective 30 September 2023.
- Annette Barker stepped down as a member of the Risk Committee and Nominations Committee effective 30 September 2023.
- Anthony Lobo stepped down as a member of the Risk Committee effective 30 September 2023.
- John Hallsworth stepped down as a member of the Risk Committee effective 30 September 2023.

Changes effective 1 January 2024:

- David Rowlands stepped down as a member of the Executive Committee on 31 December 2023.
- Liz Claydon stepped down as a member of the Executive Committee on 31 December 2023.
- Suzanne Shenton stepped down as a member of the Executive Committee on 31 December 2023.
- Lisa Fernihough was appointed Head of Advisory on 1 January 2024 and will continue to be a member of the Executive Committee.
- Appointment of Karl Edge as a member of the Executive Committee on 1 January 2024 in his capacity as Chief People Officer and Head of Regions.

Changes effective 1 October 2023:

- Appointment of Louise Kirby as an Elected Member of the Board.
- Appointment of Jonathan Downer as a Member and Chair of the Risk Committee.
- Appointment of Louise Kirby as a Member of the Risk Committee.
- Appointment of Louise Kirby as a Member of the People Committee.
- Appointment of Annette Barker as a Member of the Audit Committee.
- Appointment of Melissa Geiger as a member of the Risk Committee.
- Appointment of Sue Richardson as a member of the Operations Executive effective 1st October 2023.

For information about the current governance structure of KPMG in the UK, including the information on how members are elected or appointed, visit: [Our leadership](#).

Appendix 5: UK Corporate Governance Code (2018)

The UK Corporate Governance Code, published by the FRC, is applicable to all companies with a Premium Listing of equity shares in the UK. These companies are required under the Listing Rules to report in their annual report and accounts on how they have applied the Code.

Although the application of the Code is not mandatory for KPMG in the UK and the Code is designed to be applied in a company rather than in a partnership, the provisions set out below are ones that KPMG in the UK has sought to adopt or reflect insofar as relevant within our own LLP governance arrangements.

Para.	Provision	Application
5.	For engagement with the workforce, one or a combination of the following methods should be used: <ul style="list-style-type: none"> — a director appointed from the workforce; — a formal workforce advisory panel; — a designated non-executive director 	The Board benefits from engagement with the workforce through KPMG's Employee Business Forum. The INEs and ANEs also engage with partners and employees from the workforce (refer to the Statement by the Independent Non-Executives and Audit Non-Executives).
9.	The roles of Chair and Chief Executive should not be exercised by the same individual.	The roles of Chair and Chief Executive of KPMG are not held by the same individual.
13.	Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.	Non-executive members of the Board comprise the Nominations Committee which reviews and advises the Board on the appointment of executive members of the Board. The composition and activities of the Nominations Committee are detailed in the report.
17.	The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent non-executive directors. The chair of the board should not chair the committee when it is dealing with the appointment of their successor.	The Nominations Committee oversees the process of electing non-executive elected members of the Board. The composition and activities of the Nominations Committee are detailed in the report. The Independent Non-Executive chair of our Public Interest Committee attends the Nominations Committee which is comprised of non-executive members of the Board.
21.	There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years.	External consultants are appointed every three years to evaluate the Board's effectiveness. The Board completes an annual self-assessment in years where there is no external assessment.
22.	The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.	The 2022 Board Committee Effectiveness Review recommendations have been implemented which included a review of the Board Committee compositions and Executive attendance.
32.	The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two.	The People Committee (comprising a minimum of three Elected Members of the Board) fulfils these functions, with attendance by one Independent Non-Executive.
33.	The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management.	The People Committee (comprising Elected Members of the Board) oversees the policy for remuneration of all partners, which includes the executive members of the Board. It also evaluates and determines the remuneration of the Chair and Chief Executive, as well as approving the remuneration of members of the Executive Committee. The INE who attends the Committee chairs these discussions while the Senior Elected Member (SEM) of the Board gathers feedback and data with respect to the performance of the Chair and Chief Executive and makes recommendations for consideration by the Committee.

Appendix 6: UK Public Interest Entities

In compliance with Article 13 (f) of EU Regulation 537/2014 as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019, we have included the list of UK Public Interest Entities (as defined by the FRC Ethical Standard) for which we carried out statutory audits in the financial year ended 30 September 2023.

Entity name

3i Group Plc	Big Yellow Group Plc	Games Workshop Group Plc	Marston's Issuer plc
ABC International Bank plc	BPHA Finance plc	Gatwick Airport Finance plc ¹⁰	Marston's PLC
Aberdeen City Council	BRISTOL & WEST PLC	Gracechurch Card Programme Funding PLC	Masthaven Bank Limited
Aberdeen New India Investment Trust Plc	British American Tobacco Plc	Grainger Plc	Midland Heart Capital plc
abrdn Equity Income Trust Plc	British Telecommunications plc	Haleon Plc ¹⁰	Mitchells & Butlers plc
abrdn European Logistics Income Plc	BT Group plc	Hampshire Trust Bank Plc	Moneysupermarket.com Group PLC
abrdn Japan Investment Trust Plc	Cambridgeshire Housing Capital Plc	Heylo Housing Group Limited	Motability Operations Group Plc
abrdn Life and Pension Limited	Capita Plc	HICL Infrastructure Plc	Motors Insurance Company Limited
abrdn Plc	Card Factory Plc ⁹	Hollywood Bowl Group Plc	Myriad Capital PLC
abrdn UK Smaller Companies Growth Trust Plc	Cardiff University	Howden Joinery Group Plc	National Casualty Company of America Limited
Affinity Sutton Capital Markets PLC	Catalyst Housing Limited	Income Contingent Student Loans 1 (2002-2006) Plc	National Counties Building Society
Aioi Nissay Dowa Insurance UK Limited	Chemring Group Plc	Income Contingent Student Loans 2 (2007-2009) Plc	NCC Group PLC
Alphawave IP Group Plc	Chetwood Financial Limited	INTERNATIONAL DISTRIBUTIONS SERVICES PLC	Network International Holdings Plc
Amtrust Europe Limited	China Taiping Insurance (UK) Co Ltd	Invesco Asia Trust plc	NEWDAY FUNDING 2017-1 PLC
AO World Plc	Citibank UK Limited	IP Group Plc	Newday Funding Master Issuer Plc
Ascential Plc	Clarion Funding Plc	James Fisher and Sons Plc	NewDay Partnership Funding 2020-1 Plc
Ashmore Group Plc	Compass Group Plc	JD Sports Fashion Plc ⁹	Odyssean Investment Trust plc
Aspire Defence Finance Plc	Computacenter plc	John Lewis Plc	Orbit Capital plc
Aster Treasury Plc	Connect M77/GSO Plc	John Wood Group PLC	Oxford BioMedica Plc
AutoTrader Group PLC	CONNECT PLUS (M25) ISSUER PLC	Ladbroke's Group Finance plc	Paragon Bank PLC
Avon Protection Plc	Consort Healthcare (Birmingham) Funding Plc	Lancashire Insurance Company (UK) Limited	Paragon Banking Group Plc
B & C E Insurance Limited	Croda International Plc	Leek United Building Society	PARAGON MORTGAGES (NO. 27) PLC
B.A.T. International Finance p.l.c.	CT Global Managed Portfolio Trust plc	Legal & General Assurance (Pensions Management) Ltd	Paragon Mortgages (No.12) Plc
Baillie Gifford Shin Nippon Plc	Currys Plc	Legal & General Finance Plc	Paragon Mortgages (No.25) Plc
Baillie Gifford US Growth Trust Plc	Devro Plc	Legal & General Group Plc	Paragon Mortgages (No.26) Plc
Balfour Beatty plc	DFS Furniture Plc	Legal And General Assurance Society Limited	PARAGON MORTGAGES (NO.28) PLC
Baltic Classifieds Group Plc	Dialight Plc ⁹	Liontrust Asset Management Plc	Paragon Treasury Plc
Bank Of Ireland (UK) PLC	DIRECT LINE INSURANCE GROUP PLC ¹⁰	London & Quadrant Housing Trust	PayPoint plc
Barclays Bank PLC	DUNCAN FUNDING 2022-1 PLC	Luceco PLC	Peabody Capital No 2 Plc
Barclays Bank UK Plc	EMH Treasury Plc	Markel International Insurance Company Limited	Peabody Capital Plc
Barclays PLC	Fidelis Underwriting Limited		Pendragon Plc
Bazalgette Finance plc	Forester Life Limited		

⁹ Engagements where we resigned, but signed an audit opinion in the year to 30 September 2023, have been included.

¹⁰ New audit engagements, which have not been signed between October 2022 - September 2023, have been excluded.

Appendix 6: UK Public Interest Entities

Continued

Pension Insurance Corporation plc	Sovereign Housing Capital plc
Pets at Home Group PLC	SP Distribution PLC
PMGR Securities 2025 Plc ⁹	SP Manweb plc
Pod Point Group Holdings plc ¹⁰	SP Transmission PLC
Polar Capital Technology Trust Plc	SSP Group Plc
PREMIER MITON GLOBAL RENEWABLE TRUST PLC	Starling Bank Limited
Prudential plc	Strategic Equity Capital Plc
PureTech Health plc	TCHG Capital Plc
Quadrant Housing Finance Limited	Telecom Plus Plc
Reckitt Benckiser Group plc	The Access Bank UK Limited ¹⁰
Reckitt Benckiser Treasury Services Plc	The Baillie Gifford Japan Trust PLC ⁹
Redrow PLC	The Bank of New York Mellon (International) Limited
Ricardo PLC	The Berkeley Group Holdings plc
Rio Tinto plc	The Excelsior Insurance Company Limited
Road Management Services (A13) plc	The Marine Insurance Company Limited
Rothschild & Co Continuation Finance PLC	TheWorks.co.uk Plc
Rotork plc ¹⁰	TR Property Investment Trust Plc
Royal & Sun Alliance Insurance Limited	Travis Perkins plc
Royal & Sun Alliance Reinsurance Ltd	Tritax Eurobox Plc
RSA Insurance Group Limited	TSB Bank Plc
Saga Plc	TSB Banking Group Plc
Samsung Fire & Marine Insurance Company of Europe Limited ⁹	Unilever PLC
Sanctuary Capital Plc	United Utilities Group plc
Sanctuary Housing Association	United Utilities PLC
Schroder UK Mid Cap Fund Plc	United Utilities Water Finance Plc
Scottish Power UK Plc	United Utilities Water Limited
Senior PLC	Utilico Emerging Markets Trust Plc
Serco Group plc	Vitality Health Limited
Severfield Plc	Wesleyan Bank Limited
Shawbrook Bank Limited	Wheatley Group Capital plc
SMBC Bank International PLC	Wickes Group Plc
Smith & Nephew plc	Workspace Group plc
Smiths Group plc	Zegona Communications PLC

⁹ Engagements where we resigned, but signed an audit opinion in the year to 30 September 2023, have been included.

¹⁰ New audit engagements, which have not been signed between October 2022 - September 2023, have been excluded.

Appendix 7: Financial information

Under Article 13.2 of the EU Audit Regulation (subsequently incorporated into UK Law) we are required to disclose certain financial information in respect of statutory audit work. In addition, the Consultative Committee of Accountancy Bodies issued the Voluntary Code of Operative Practice on Disclosure of Audit Profitability in March 2009 requiring disclosures in respect of audit and directly related services, where audit and directly related services meet the definition of 'reportable segment' as set out in the Voluntary Code. The disclosures below meet both requirements.

The information below showing the relative importance of statutory audit work is extracted from KPMG UK's financial reporting systems.

	2023 £m	2022 £m
Statutory audits and directly related services for entities we audit:		
UK public interest entities and their subsidiaries (see Appendix 6)	260	221
Major local audits (see Appendix 8)	3	3
Other entities	577	485
Statutory audit and directly related services for audit clients	840	709
Non-audit services for audit clients	96	98
Non-audit services for non-audit clients	2,024	1,916
Total UK Firm Revenue	2,960	2,723

Statutory audit and directly related services for audit clients:

Revenue	840	709
Operating profit	106	98

Revenue and operating profit have been recognised for the reportable period based on the firm's unaudited consolidated financial statements:

- Revenue represents amounts recovered or recoverable from clients and the entities we audited during the year, exclusive of Value Added Tax.
- Recoverable amounts reflect the fair value of the services provided to those entities based on the stage of completion of each engagement including expenses and disbursements, as at the statement of financial position date.

Operating profit for the reportable segment is calculated based on an allocation of direct costs and an allocation of overheads (such as property and IT costs) on a pro rata basis. The basis of allocation is primarily on headcount or revenue as well as an allocation of costs directly attributable to the reported segment based on information in our internal management accounts.

No cost is included for the remuneration of members of KPMG LLP. This is consistent with the treatment of partners' remuneration in the firm's consolidated financial statements.

With the transition of the Audit practice to an operationally separated business and the implementation of the FRC's principles of Operational Separation, we expect there may be changes that could have an impact on reported revenues and profits generated from audit activities in future periods.

Appendix 8: UK Major Local Audits listing

Confirmation

In accordance with the Local Auditors (Transparency) Regulations 2020, we confirm that all engagement leads are competent to undertake local audit work and staff working on such assignments are public sector specialists.

Deep technical expertise and knowledge

Our Quarterly Improvement Network Quarterly Connect (QIN-QC) audit training programme within the Public Sector audit practice supports the development of technical expertise and knowledge within our audit practice. These mandatory in-person training days include audit and accounting technical training, public sector specific training and risk courses – such as training on the use of wider auditor powers and value for money assessments with NHS and local government audits – in-year technical updates and technical briefings, lunch and learns (including a new programme on NHS and local government specific topics), core audit skills and fundamental knowledge.

Our national Public Sector team undertakes tailored and targeted technical accounting training sessions to ensure that they are sufficiently trained to undertake these types of audit engagements.

In addition, all our audit teams on these engagements have an individual RI appointed from our national pool of ‘Key Audit Partner’ (KAP) accredited RIs. All our engagement leaders for local audit work have been accredited as Key Audit Partners by the ICAEW.

On an annual basis, all KAPs are awarded a Certificate of Accreditation, with specific Public Sector Accreditation, on the basis of their experience and training specifically related to their knowledge, experience and hours of public sector defined audit work. For Public Sector team KAPs, this is directly linked to the local audits in their portfolio, which is in turn is directly linked to our Learning Management System, where each KAP can assign themselves the relevant training without the need to consult. Once a KAP has completed the relevant training, the Public Sector Accreditation element is automatically marked “green” in the audited entity on which they’re working.

All auditors, including KAPS, are expected to join annual KPMG Audit University (KAU) training. This year’s training was based around a case study with participants working in teams, mirroring a real audit team structure. The content included risk assessment, controls, sampling, journals testing and fraud, and introduced new technology in the audit in the form of AI transaction scoring.

The mandatory learning curriculum for all KAPs includes quarterly updates focusing on performing an effective quality audit with different topic areas included as relevant, which again for KAPS includes specific public sector related topics.

An Audit Quality and Risk Workshop is delivered twice a year for engagement leaders (including all KAPs) and focuses on key messages driven by internal and external regulatory (AQR etc) and monitoring findings, with all KAPs having to also complete training relevant to their grade and role, which includes public sector specific training.

In order to meet the International Standard on Quality Management (ISQM1) requirements KPMG has established globally consistent quality objectives, quality risks and responses, with the objective, applied equally to the Public Sector audit practice, of this centralised approach being to drive consistency, robustness and accountability of responses for processes implemented across our global organisation. Where necessary, we have supplemented the requirements with additional quality objectives, quality risks and responses identified through a risk assessment process, such as those specific to the Public Sector audit practice.

Refer to the [Audit quality](#) section for further information on:

- KPMG Audit University, and the role this plays in helping colleagues develop deep technical expertise and knowledge
- Our AQR results, which include a minimum of one local audit each year
- Our QAD results, which include a selection of local audits as part of the NHSI’s review remit of our health audits.
- Our QPR process, which include local audits within its scope.

Major Local Audits listing

The organisations below are those which:

- constitute a ‘major local audit’ for the purposes of Regulation 12 of The Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014 (SI 2014/1627); and
- for which KPMG LLP signed an audit report on its annual financial statements during year ended 30 September 2023.

London Ambulance Service NHS Trust	NHS Frimley ICB	NHS Nottingham & Nottinghamshire ICB	Nottingham University Hospitals NHS Trust
London North West Healthcare NHS Trust	NHS Lancashire & South Cumbria ICB	NHS Nottingham & Nottinghamshire CCG	Shrewsbury and Telford Hospital NHS Trust
NHS Derby & Derbyshire ICB	NHS Mid & South Essex ICB	NHS South East London CCG	The Royal Wolverhampton Hospitals NHS Trust
NHS Derby & Derbyshire CCG	NHS North Central London CCG	NHS South East London ICB	University Hospitals Coventry and Warwickshire NHS Trust
NHS Devon CCG	NHS North Central London ICB	NHS South Yorkshire ICB	University Hospitals Leicester NHS Trust
NHS Devon ICB	NHS North East London CCG	NHS Surrey Heartlands ICB	
NHS Dorset ICB	NHS North East London ICB	NHS West Yorkshire ICB	



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