

TRANSPARENCY

REPORT

2015



Transparency Report 2015

K. Treppides & Co Limited

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Message from the Managing Partner

I am honored to present the 2015 transparency report of K. Treppides & Co Ltd. Our organization was established in 1985 and has been growing responsibly ever since, through prosperous but also turbulent times, on solid grounds which stem from our continuous investment in the professional competence of our people, our commitment to ethics and the high quality of the services rendered.

Given the challenges the global economy is facing due to corruption resulting from the erosion of ethics and basic moral principles, we more than ever embrace the transparency objectives of the European Union's 8th Company Law Directive and the Cyprus' Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 which require Cyprus statutory auditors of public interest entities to publish annual transparency reports disclosing the information prescribed by the Directive and the relevant Cyprus Law.

Our report is designed to describe in detail our legal structure, ownership and governance, our networks, our ethical principles and quality control procedures. At K. Treppides & Co Limited we are committed to constantly getting better hence we are concentrating our efforts to be kept abreast with the rapid changes in the economy and business environment and we are continuously looking into new ways in which we can improve the quality, the effectiveness and efficiency of our audit methodology as to exceed our expectations and those of stakeholders and regulators. The action taken to this effect in 2015 is detailed in the main body of this report.

We feel strongly that disclosing this information allows stakeholders to evaluate our organization and make informed decisions when selecting their preferred service provider. K. Treppides & Co Ltd is dedicated to providing superior client service and working diligently to preserve its status as one of the most trusted professional financial service firms in the island.

We take seriously our responsibility to act in the public interest and are fully aware of the vital role that auditors play in restoring investors' and other stakeholders' confidence in financial information being reported to the markets. Thus, we remain committed to quality, we remain flexible and we rapidly adapt to the changes in the financial environment which lead our firm in developing new and innovative service lines as to ensure continuity in providing our clients with constructive solutions that will add value to their business and the society at large. We believe that by pursuing policies that strengthen the quality of financial reporting for the investing public we are contributing in fighting corruption thus, strengthening the public trust to our profession which will further extent to supporting Cyprus in regaining the trust of the financial markets and global investors.

I take this opportunity to thank our clients for their trust, loyalty and support over the years and also all the employees of K.Treppides & Co Ltd for their continuous commitment and hard work to achieve our goals and our long-term Vision.

Kikis Treppides
Managing Director
March 2016

Our vision and values

Our vision

To be a leading financial advisory group, adding value globally through integrity, quality, differentiation and human capital excellence

Our values

Our core values set out what we stand for, our culture and our commitment to the highest principles of professional and personal conduct. We always aim to lead the international business practice by remaining responsive to change.

Customer Excellence: Understanding our clients and their unique needs is of utmost importance to us. Appropriate solutions are provided to each client through our wide range of value added services at the highest quality. This is ensured by our professional competence and commitment to provide services applicable to our clients with due care and diligence.

Integrity: We always act with integrity safeguarding the quality of being firm and honest and working based on strong moral principles that form the foundation of our Firm.

People Development: Our professionals are the ambassadors of our Firm, our clientele and our services. Continuous professional development and growth from within are important ingredients to our on-going vision.

Quality: Our human capital is trained in order to provide the highest quality services to external clients.

Growth: Continuous growth, diversity of our clientele, differentiation through innovative up to date services and people growth are the pillars of our ongoing growth strategy.

Legal structure, ownership and governance

Legal structure

K. Treppides & Co Limited is a private limited liability company established in 1985 with its registered office at 9 Kafkasou Street, Aglantzia, CY 2112, Nicosia, Cyprus and offices in Nicosia (9 Kafkasou Street, Aglantzia, CY 2112, Nicosia, Cyprus) and in Limassol (12 Archiepiskopou Makariou III Avenue, Mesa Geitonia, CY 4000, Limassol, Cyprus). The Company is a member firm of EuraAudit International since 1994. K. Treppides & Co Limited is owned by Kikis Treppides & Co, a partnership registered in Cyprus.

The Company is a member of EuraAudit International which is an international accountancy group which brings together over 150 well established independent firms. In association with the Charter Group Partnership, EuraAudit has members in 200 towns and cities, in Europe, Africa, the Middle East and Indian Ocean and is represented in all the major economic centers.

The firm adopts 31 December as its financial year end for reporting to EuraAudit International and also for local statutory purposes. During the year ended 31 December 2015 there were 8 Board Members in K. Treppides & Co Limited.

Governance Structure

The members of the Board of Directors as at 31 December 2015 were the following:

- Kikis Treppides (Chairman)
- Marios Cosma
- Riana Treppides
- Savvas Rigas
- Andreas Yiasemides
- Demetris Tsingis
- Kiki Omirou
- Savvia Stavrou (appointed 2 February 2015)

Furthermore during 2016 the Board of Directors of K. Treppides & Co Limited was further enhanced by the appointment of an additional Director:

- Helen Papatheocharous (appointed 1 March 2016)

The Company is proud of the fact that currently 44,44% of the Board is comprised of women which is in line with its prolonged policy of equal treatment which was rewarded with the Company's accreditation as Gender Equality Employer / Gender Equal Pay at the workplace by the Ministry of Labour, Welfare and Social Insurance in November 2015.

The Board meets on a quarterly basis or as required to review operating and financial performance, annual business plans and budgets, issues regarding recruitment, development, remuneration and retention of staff as well as risk and compliance policies.

The senior management of K. Treppides & Co Limited includes the following members:

Principals

- Maria Sourmeli

Senior Managers

- Marilena Nicolaou
- Costas Loizou
- Cosmas Cosma (appointed 1 April 2015)
- Alexandros Anastasiou (appointed 4 May 2015)

The Board of Directors and the Senior Management comprise the Management Board of the Company which address operational issues and allows flexibility and strong corporate governance controls.

K. Treppides & Co Limited as of today employs 164 employees offering audit, tax and financial regulatory and advisory services. The table below analyses the number of employees per level:

	Number
Partners	6
Directors	3
Principals	1
Senior Managers	4
Managers	9
Staff	141

The level of responsibility and the seniority is identified through the use of titles and are defined as follows:

Senior Partners (Members of the Board of Directors)

Partners (Members of the Board of Directors)

Executive Directors (Members of the Board of Directors)

Principals (Members of the Board of Management)

Senior Managers (Members of the Board of Management)

Internal quality control system

In K. Treppides & Co Limited we are dedicated to providing superior client service with professional objectivity and to working diligently to preserve the trust of our clients. We continue to invest in initiatives to promote objectivity, independence and apply professional skepticism in the execution of audit procedures. We are committed to maintaining consistently the highest standards of quality at all stages of the process, from the client acceptance stage through the execution to the provision of deliverables.

At K. Treppides & Co, our goal is to provide assurance on the fair presentation of the financial statements of the companies and issue the right audit opinion. As part of this effort, we have invested in designing and developing the audit methodology based on the International Standards of Auditing (ISAs) and the local statutory requirements, this was enforced through the software we fully implemented in the year that passed which resulted in our transition to e-audit. Through the use of the tool deployed we ensure the standardization of audit procedures and alignment of quality within our firm. Also we invested in enhancing the internal infrastructure and in recruiting and developing qualified teams to support delivery of a high quality service.

We have designed and implemented internal quality control policies and procedures based on the International Standard on Quality Control 1 (ISQC1) “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

ISQC 1 applies to all firms that perform audits and reviews of financial statements and other assurance and related services engagements. The objective of ISQC 1 is for the firm to establish and maintain a system of quality control to provide it with reasonable assurance that:

- The firm and its personnel comply with professional standards and regulatory and legal requirements; and
- Reports issued by the firm or engagement partners are appropriate in the circumstances.

The Compliance, Risk, Quality Committee (CRQ) is responsible for setting overall professional risk management and quality control policies and monitoring compliance for firm. CRQ is divided to the following 7 sub-committees which are chaired by a total of 7 senior representatives:

- Anti-Money Laundering Compliance Committee
- Risk Management and Acceptance Compliance Committee
- Independence and Ethics Compliance Committee
- Quality Assurance Compliance Committee
- IFRS Compliance Committee

- Staff Training Compliance Committee
- Human Resource Compliance Committee (that will officially assume duties from 1/7/2016)

CRQ focuses on identifying and resolving, on a timely manner, issues of general regulatory compliance, staff training, client risk acceptance, independence, HR regulatory compliance and quality reviews. CRQ reports to the Firms' Board of Directors on a quarterly basis involving them in the strategic decisions that need to be taken.

The seniority of the reporting lines, underlines the importance that our firm places on risk and quality issues.

To this end, K. Treppides & Co has established the quality control system which is based on the six elements of quality control set out in ISQC1, which are:

- Leadership responsibilities for quality within the firm.
- Relevant ethical requirements (including independence).
- Acceptance and continuance of client relationships and specific engagements.
- Human Resources.
- Engagement performance.
- Monitoring.

Where necessary, a remedial action plan is prepared by the CRQ Committee and approved by the Board of Directors and guidance on areas identified as needing improvement are communicated to members of staff via mandatory training and other technical alerts.

Leadership responsibilities for quality within the firm

At K. Treppides & Co the key responsibility to quality, ethics and integrity lies with the firm's leadership. Therefore our Firm's Board of Directors headed by the Managing Partner is committed to communicate to our people the importance to execute their tasks in compliance with professional standards and applicable legal and regulatory requirements and delivery high quality service. We promote a culture of integrity, independence through our training seminars and various forms of internal communication.

The implementation of the internal quality control procedures and the monitoring of their effectiveness have been delegated to the CRQ Committee reporting directly to the Board of Directors. The CRQ Committee meets on a quarterly basis to ensure implementation of the requirements of ISQC 1 and general firm's compliance. The CRQ sub-committees also meet on a quarterly basis but it is to the discretion of the leader of each sub-committee whether additional meetings may need to be held for a specific committee. The CRQ Committee reports to the Board of Directors on a quarterly basis.

The Audit Partners, Principals and authorized Senior Managers are held accountable for each engagement performance and the quality of the audit process. The quality of the professional service provided forms part of the evaluation and rewarding procedure of the firm. K. Treppides and Co Limited policies require that the Quality Assurance Compliance Leader performs periodic *Transparency Report 2015*

reviews of engagements considered to be of high risk or engagements with public interest as well as any other audit engagements he/she considers necessary to be reviewed so as to ensure that the audit teams involved possess the appropriate competencies to conduct the work and to also ensure compliance with the International Standards on Auditing and with relevant legal requirements.

Ethical requirements

Ethics are invaluable in K. Treppides & Co Ltd and to those who place reliance on the output of the work conducted. These are the stakeholders which include clients, banks, government authorities, taxation authorities, employees, investors, the business and financial community in general.

Our Firm takes appropriate measures so as to enable stakeholders consider the firm as highly competent, reliable, objective and independent, thus enabling them confidently place reliance in the quality of the work conducted for reaching the opinion included in the report issued.

At K. Treppides & Co we adopt the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and also the Institute of Certified Public Accountants of Cyprus (ICPAC) guidelines which refer to IFAC's Code of Ethics. Our firm promotes a culture of integrity, professional behavior and objectivity among the K. Treppides & Co professionals. Upon joining the firm, all partners and members of staff are informed about our Code of Conduct which is available on the K. Treppides & Co website. Ethics and independence policies are also communicated through an annual training seminar and any amendments are communicated through the use of e-mail alerts and electronic training sessions and the website is updated accordingly.

All partners and members of staff are required annually to confirm that they are aware of and have complied with all relevant ethical and professional obligations.

Our firm has designated the Independence and Ethics Compliance Leader to ensure that we apply consistently independence policies and that we are in fully compliance with the Code of Ethics at all times. In the event of failures to comply with the internal policies disciplinary measures are taken according to the circumstances.

Independence

K. Treppides & Co Limited independence policies are designed to enable our professionals to comply with the independence standards of the International Ethics Standards Board for Accountants which have been adopted by the Institute of Certified Public Accountants of Cyprus.

Upon joining the firm and annually thereafter, all Partners, Principals, Senior Managers and staff are requested to confirm in writing their compliance with the independence policies and procedures a process through which any threats to independence which have arisen may be identified. Compliance with the firm's independence policies is monitored by the respective

Engagement Leader. For high risk and public interest entities an additional Independence confirmation is completed and signed off by the respective engagement team. A professional's failure to comply with applicable professional independence requirements will lead to disciplinary measures as appropriate.

To strengthen the auditor's independence we promote rotation for audit engagement leader and senior personnel of an audit engagement taking into consideration among others the nature of the client, the client's management team, the complexity of the client's accounting and reporting issues.

In view of the self-interest and intimidation threats arising when total fees from an audit client represent a large proportion of the total fees safeguards are adopted by K. Treppides & Co Limited to eliminate or reduce the threat to an acceptable level. Where an audit client is a public interest entity, for two consecutive years, and the total fees from the client and its related entities represent more than 15% of the total yearly fees, an external quality control reviewer would be appointed and also this would be communicated to the client management in line with the IESBA principles.

Audit engagement leader rotation

Engagement leaders are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations and independence rules. These limit the number of years that engagement leaders in certain roles may provide audit services to an audit client. Engagement leaders involved in audits of High Profile clients serve in this role only for a period of not more than seven years.

K. Treppides & Co Limited rotation policies are consistent with the IESBA Code of Ethics which requires firms to comply with any national requirements if stricter and establish shorter rotation periods. Our firm monitors the rotation of engagement leaders, and develop transition plans to enable the firm to allocate partners with the necessary competence and capability to deliver a consistent quality of service to clients. The rotation monitoring is subject to compliance testing.

Our firm has policies as to the scope of services that can be provided to audit clients to enable it to determine whether providing such a service would create a threat to independence. In evaluating the significance of any threat created by a particular non-audit service, consideration is given to any threat that the audit team has reason to believe is created by providing other related non-audit services. If a threat is created that cannot be reduced to an acceptable level by the application of safeguards, the non-audit service is not to be provided.

Acceptance and continuance of client relationships and specific engagements

K. Treppides & Co Limited client acceptance and continuance policies are vitally important to maintaining quality, managing risk and meeting regulatory requirements, "The Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2013". The firm has established robust acceptance and continuance procedures (which are continuously enhanced) to help protect the firm and its reputation.

The key factors taken into consideration for client acceptance are:

- the identity, business reputation, integrity and ethics of the client's principal owners, key management and those charged with its governance
- information concerning the attitude of the client's principal owners, key management and those charged with its governance towards matters that might affect the provision of a prospective service (for example, aggressive interpretation of accounting standards and the internal control environment in the context of assurance engagements)
- the nature of the client's operations, including its business practices
- imposed limitations in the scope of work which may raise questions about the integrity of the client
- indications that the client might be involved in money laundering or other criminal actions
- the public profile of the prospective client and the underlying reasons for that profile
- a sense of the operating and control environments of entities involved
- financial condition and the prospective client's ability to pay our fees
- whether heightened risks of fraud exist (for example, opportunities, incentives, or pressures).
- independence and potential conflicts of interest

Prior to accepting a new engagement all the above factors are being assessed through the Know Your Client and Acceptance/Continuance forms authorized by the Engagement leader and approved by the Anti-Money Laundering officer. In case the AML officer has issues for further consideration and discussion he/she consults the Risk Management Committee. The following factors are also taken into consideration in relation to accepting or continuing an engagement:

- Whether the Company has the necessary technical competence to perform the work
- Whether the Company has sufficient resources to perform the work
- Whether there are any ethical or independence issues if the firm decides to proceed with the work
- Whether there are any conflicts of interest identified
- Whether the director in charge has obtained professional clearance for the outgoing auditors where appropriate.

This process enables the firm and consequently the engagement teams to identify any risks related to an existing or potential client or engagement and facilitate proper risk assessment in line with relevant policies and procedures in response to the identified risks and decide whether or not our firm should accept/continue with the engagement and the services in question.

Furthermore the process of client and engagement continuance is revisited annually via the client and engagement continuance form in accordance with our policies and procedures being reviewed and authorised by the Engagement Leader and AML officer.

Withdrawal from an engagement

Policies and procedures have been established for circumstances in which we determine that we should or are required to withdraw from an engagement. Appropriate consultations both within the firm and with those charged with governance or our clients are being held as to decline the client/engagement.

Human Resources

Human capital is the key driver in K. Treppides & Co Ltd. Continuous professional development and ongoing training of our highly skilled people ensures high quality of services offered.

Recruitment

Screening and preliminary interviews of applicants are conducted by our HR department. The shortlisted candidates are being assessed by our senior management team in order to ensure that they possess the credentials needed for the vacant position. The candidates are evaluated based on technical skills, intellectual competence, people skills, organizational and communication skills.

Integrity and honesty are key attributes that a candidate should possess.

Development

K. Treppides & Co Ltd is a dedicated Training and Development employer that aims to maintain and improve the technical and personal skills of all members of the Company. Through the process of Training and Development the Company can optimize the utilization of human capital to achieve its organizational goals of quality excellence and aid in the personal and professional development of each employee.

Significant importance is placed on the ongoing development of all our staff through both the organization and attendance of in-house and external trainings. A dedicated senior team with representation from all our firm's departments headed by our firm's Staff Training Compliance Leader and in close co-operation with external training institution focuses on designing and implementing a full annual training plan for the entire firm's staff at all levels. This training plan is structured based on the following 5 Pillars:

- Pillar I: On the requirements of the professional bodies for the completion of specified CPD training and AML training.
- Pillar II: The results of the performance appraisals of all staff on areas that have not been covered in the past 6-12 months.
- Pillar III: On new regulations or updates from ICPAC, ACCA, ICAEW, CySEC or other regulators/associations that emerged over the past 6-12 months.
- Pillar IV: On the results of the quality reviews performed intra departmentally over the past 6-12 months.
- Pillar V: On the new services launched by the firm in the past 6-12 months.

Performance Management

Performance Management is a useful tool in our Firm regarding the identification of individual developmental needs, and can also help in deciding on the form of training suitable for each employee. Employees are assessed on a regular basis and therefore being rewarded and promoted based on their job performance and development. The following parameters are used to assess staff performance and development:

- Task outcome
- Technical skills
- Self - Development
- Ethics
- Communication
- Review and Supervision
- Service Excellence
- Personal Effectiveness
- Professionalism
- Business Development
- Delivering Quality Service
- Team Effectiveness
- Accountability
- Integrity
- Building Relationships

Our performance development system:

- a. Evaluates objectives set for a specific period as per each individual's level. Objectives are related to the Firm's Annual Business Objectives, provide Business Direction and help to measure results.
- b. Assesses Competencies. Specific behavioral competencies have been identified based on the level of each position that clearly indicate the scope of the Performance Development Reviews and set the end value.
- c. Sets Developmental Goal Setting Plan. The plan identifies developmental areas for the next period, sets short term and long term objectives and identifies learning needs.

Engagement Performance

At K. Treppides & Co Limited we invest in the effectiveness of our audit methodology to ensure compliance with the law and professional standard requirements.

Audit methodology

Since 2014 our firm has adopted Caseware Audit International, an electronic audit software, that adheres to the International Standards on Auditing and laws and regulations applicable in

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Cyprus. Caseware Audit International alongside with the audit working papers designed in-house allow our Firm to provide high quality services that respond to the changing environment of our clients and be in line with the outlines of the relevant quality check standards. The methodology focuses on applying risk assessment procedures and then determining the work to be done to address those risks thus quality of our audit improves and value is added to our clients. Partners, Directors, Principals, Senior Managers and members of staff are trained on the Caseware Audit International tool as to be able to implement the policies and procedures efficiently and effectively. The e-audit was fully implemented during 2015. Our firm has policies and procedures that address both professional and regulatory standards of the audit practice that are regularly updated to enhance current practices.

Building up the Engagement team

Building up the proper engagement team is considered important enough for the required quality in audits engagements. The key elements to consider while assigning people to audit engagements are: competence, commitment, knowledge and experience, technical support, engagement size and complexity. We also consider that the engagement director and manager should be actively involved throughout the audit process. It is of great significance for the engagement Partner/Director/Authorised Senior Manager to set the scope of the audit during the planning stage and together with the Manager/Assistant Manager/Supervisor to lead through the procedures to ensure that important matters are addressed appropriately and the opinion issued is appropriate under the circumstances and the audit work conducted and documented.

Supervision and Review

As part of the audit process the engagement Manager/Assistant Manager/Supervisor timely and closely monitors the progress of the work performed by the engagement team. Detailed review is performed and documented on audit evidence gathered and on working papers prepared. This allows the engagement leader, being responsible for the performance of the engagement, to identify and address important matters, make key judgements, initiate of consultation requests on difficult or contentious matters and being satisfied that all risks have been appropriately assessed and responded to. Engagement leaders and managers cultivate a mind-set where engagement teams are challenged to think, analyse, question and be rigorous to their approach. They are foster to apply professional scepticism and demonstrate a willingness to learn and coach others.

The name and the role of the audit engagement leader are communicated to the clients and those charged with governance via the engagement letter.

For companies with high risk profile and companies with public interest an engagement quality review is performed by other experienced professionals within our firm independent to the core engagement team. In an event of professional disagreement the professionals are encouraged to raise the matter within the engagement team to the engagement leader and if not resolved then consultation is obtained by another independent professional of the firm, usually a Partner/Director.

Consultation

For audit engagements that special skills and knowledge are required or for difficult or contentious matters, consultation from other internal/external experts is required to assist in proper execution of audit procedures that will add value to clients.

Engagement Quality Control Review

The Engagement Quality Control Review as implemented by K. Treppides & Co Limited complies with the guidelines of International Standard on Quality Control No.1 and the Cyprus laws and regulations. The aim is to obtain comfort that the appropriated procedures are followed while applying our audit methodology and regulatory requirements, to maintain and improve the audit quality.

The Quality Assurance Compliance Leader has set policies and procedures for the Quality reviews program process for the Public Interest Entities and other engagements categorized as high risk. Quality Reviewers are experienced professionals within our Firm who are independent of the core engagement team. The Quality Reviewers are responsible for reviewing aspects of the audit, including independence, significant risks and their responses, judgments made, documentation of work done in areas reviewed, the financial statements, communication with those charged with governance and the appropriateness of the audit report to be issued.

In case of differences of opinion arising during the review, proper documentation is maintained on conclusions reached which is effectively communicated to the engagement leader to resolve. The audit is finalized when quality review is completed. The audit report is issued upon completion of the review.

Additionally, quality reviews are extended in the same manner by a separate reviewer within our Firm, on a randomly selected sample. These are the so called “cold reviews”. These reviews are conducted on audits that have already been finalized and the target is to ensure that proper procedures were followed during the audit as well as to ensure that the audit teams follow the firm’s audit methodology in conducting the audits, that the work is properly documented in the working papers and that the audit opinion reached is proper.

Confidentiality, safe custody and data privacy

Our firm has set the appropriate internal procedures for mainlining client confidentiality, information security and formal document retention policies in accordance with the IESBA rules. Relevant Data privacy policies are in place properly securing personal information which is also in accordance to the law.

External quality review

Upon the enactment of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, K. Treppides & Co Limited audit practice is subject to inspection by the

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Cyprus Public Oversight Committee. The Committee reviews selected audit engagements and evaluates the firm's quality control system.

Our firm is licensed by the Institute of Certified Public Accountants (ICPAC). ICPAC conducts ISQC1 and Audit Monitoring Visit to monitor amongst other areas, our firm's compliance with International Standard on Quality Control 1 (ISQC 1) and International Standards on Auditing (ISAs) in conducting our work as well as the firm's AML procedures.

Our firm has undergone the first regulatory review by the Association of Chartered Certified Accountants (ACCA) to which the ICPAC has outsourced the Monitoring Visit process in June 2010 and a second review was carried out in January 2014. We take these monitoring visits very seriously and we value the comments we receive through the report we are provided with at the end of each visit, outlining their findings. In achieving our target we take corrective action where indicated by the reviewers and we are concentrating our efforts to overcome any issues they identify. The implementation of Caseware Audit International which is a comprehensive audit methodology tool and the appointment of the Compliance Risk Quality Committee (CRQ Committee) is an example of the corrective measures we are taking in this effect.

Monitoring

At K. Treppides & Co Limited we consider that it is of great importance to assess/monitor the adequacy and effective application of the quality control policies and procedures in place. The monitoring and assessment procedures take into consideration the following:

- Adherence to professional standards and applicable legal and regulatory requirements. Whether new developments are reflected in the firm's policies and procedures as appropriate
- Effectiveness and adequacy of the quality control system
- Continuing professional development including training
- Adherence to the Code of Ethics
- Following the appropriate procedures as per the applicable laws and regulations for acceptance and continuance of client relationships.

To this end, the CRQ Committee reports to the Board of Directors on a quarterly basis about the work done on specific engagements during the reported period, the issues identified and how these were resolved, evaluation of the audit procedures applied including suggestions for further actions to be taken for improving quality. This procedure constitutes an important practice for monitoring the feedback for our continuing quality improvement efforts.

The new audit and other procedures put in place and in practice during 2015 as described in this report have been approved by the Board of Directors and their intended purpose is to enable the Board assess the effectiveness of quality controls throughout the year and take corrective action where weaknesses are identified.

Financial Information

The total firm's revenue is analysed as follows:

<i>Service</i>	<i>FY2015</i>	<i>Percentage</i>
Audit	€2,7m	39%
Tax and Consulting	€1,6m	23%
Other non-audit	€2,6m	38%
Total	€6,9m	100%

<i>Service</i>	<i>FY2014</i>	<i>Percentage</i>
Audit	€2,6m	47%
Tax and Consulting	€1,3m	23%
Other non-audit	€1,7m	30%
Total	€5,6m	100%

The revenue as presented above is in accordance with the Cyprus law and relevant International Accounting Standard.

Partner and Directors Remuneration

At K. Treppides & Co Limited Partners and Directors are assessed annually.

Specific performance measures have been developed to evaluate and consequently reward the Partners as follows:

- *Quality service delivery and risk management*
- *Clients relations*
- *Practice development*
- *Technical Knowledge and Experience*
- *Self-development*
- *Leadership*
- *Personnel development and retention*
- *Professional activities*
- *Operational excellence*
- *Financial results*

Appendix: Public Interest Entities

Cyprus Ports Authority

Note: this list excludes Public Interest Entities for which K. Treppides & Co Ltd has carried out statutory audit work but has not issued an audit opinion during the financial Year 2015.

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