



# Supporting your growth

Audit services

## Personal messages



Our approach to audit is built around much more than year-end compliance. We see it as an opportunity to really understand how your business operates and so we can support you as it continues to grow. By taking a hands-on approach, asking the right questions, and sharing our experience, we provide robust assurance alongside

**practical insights that add value beyond compliance.**

I take an active role throughout the audit process and remain closely engaged with you throughout the year. This allows me to be proactive, address issues as they arise and create space to discuss broader priorities, challenges, or developments in your business – ensuring you receive the guidance and support you need at every stage.

We believe the strongest relationships are built on openness, responsiveness and trust. Our commitment is to work alongside you as your business evolves, offering advice, constructive challenge and support when it matters most.

A handwritten signature in black ink that reads "Andy".

**Andy Greenhalgh FCA**

*Head of Audit*

[a.greenhalgh@phm-accountants.co.uk](mailto:a.greenhalgh@phm-accountants.co.uk)



Many businesses can find upcoming audits a source of dread as they associate them with a lengthy, disruptive process. Our responsive, proactive approach to every task ensures that we break the mould and are able to empower businesses to feel the benefits of audits.

Our firm is over 30 years old and in that time, we have worked with a whole host of businesses and individuals. This means that we are well-positioned to understand your unique situation and provide you with targeted support. Our clients are at the core of everything we do, so feel free to get in touch with us if you need any support.

A handwritten signature in black ink that reads "Ross".

**Ross Phipps FCA**

*Managing Partner*

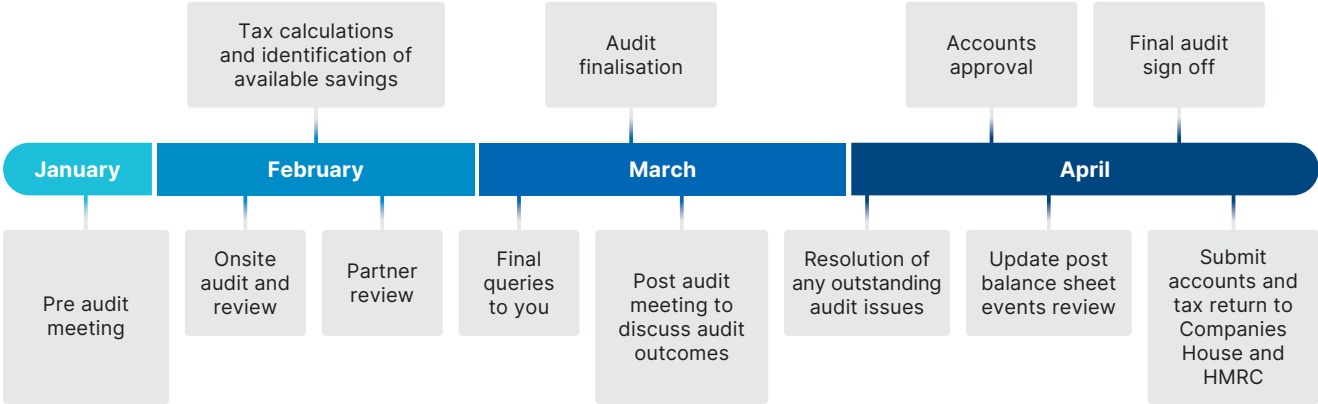
[r.phipps@phm-accountants.co.uk](mailto:r.phipps@phm-accountants.co.uk)

# Audit – centred on your business

## Understanding

Our audit approach supports your business while minimising disruption. By focusing on key risks, agreeing requirements upfront, and maintaining clear timelines and open communication, we help your team plan effectively and deliver a smoother overall experience.

We will work with you to agree a detailed timetable for the audits, which will include liaising with overseas auditors as necessary. The diagram below gives an indication of what a timeline could be.



# Audit – risk focused example

## A focused approach built around your risks

A high-quality audit starts with a clear understanding of your business, your environment and the specific risks you face. By identifying where judgement, complexity and estimation are most significant, we can focus our audit work on the areas that matter most, delivering a robust audit without unnecessary disruption.

Our understanding of your systems and processes informs us how we plan and execute the audit. This targeted approach helps us address key matters early and maintain momentum throughout the audit cycle.

Where appropriate, we will provide clear, practical feedback on systems and financial reporting, drawing on our wider experience to support continuous improvement and stronger outcomes.

## What this delivers for you

This risk-focused approach enables us to:

- Concentrate audit effort on areas of higher judgement and complexity
- Maintain a robust and proportionate audit process
- Reduce disruption by avoiding unnecessary work in lower-risk areas
- Provide clear, constructive feedback that supports better financial reporting and decision-making

By focusing on the right risks in the right way, the audit becomes more than a compliance exercise – it becomes a valuable, well-managed process that delivers assurance, clarity and insight. Opposite sets out an example of significant risks and how we would conduct our audit to address these risks.

	Risk	Assertions impacted	Our audit approach
Significant risks	Management override of controls	All	A key risk on all audits. Our approach will focus on testing key control account reconciliations, reviewing significant management estimates and judgements together with testing higher risk journals posted throughout the year.
	Revenue recognition	Existence/ Occurrence	There is a (rebuttable) presumption that fraud in revenue recognition is a significant risk. Our audit work will involve substantive procedures being performed on significant revenue transactions, including cut-off testing and evaluation of management's judgments and estimates.
Other risks	Inventory	Valuation and existence	Inventory is often a material balance and is sensitive to judgement. Our audit work will focus on attending inventory counts, performing test counts, reviewing inventory movement controls, and assessing the adequacy of provisions by comparing ageing and post-year-end sales to historical trends.
	Carrying value of goodwill	Valuation	The carrying value of goodwill retains some level of judgement. We will review underlying business performance to assess this carrying value.
	Acquisition accounting	Valuation/ Presentation/ Disclosure	Focuses on ensuring the purchase price allocation is accurate, and supportable. We evaluate the fair value measurement of identifiable assets and liabilities, verify the calculation of goodwill, test the accuracy of consideration transferred, and confirm that all required disclosures are complete and appropriate.
	Asset impairment	Valuation	We will review the underlying rationale and calculations supporting any write-down in detail.



## **Audit** – robust and efficient

### **Experienced team that works efficiently**

Our audit team is led by experienced professionals who understand how to focus on what really matters. Rather than adopting a checklist-driven approach, we apply informed judgement to target areas of higher risk and complexity. This ensures the audit is both robust and proportionate, avoiding unnecessary work and reducing the burden on your finance team.

### **Market leading audit methodology**

We know that a smooth audit process is important to you. We use market leading audit methodology to design and execute our audit programme. This system ensures that our audit work is perfectly tailored – in short we do the right level of work in the right areas to keep you safe.

# Audit – a year-round conversation

## Clear communication. No surprises. Real value.

A successful audit is built on open and timely communication. Our approach is designed to be flexible and proportionate, recognising that the nature and frequency of interaction will vary depending on the size, structure and complexity of your business.

Rather than viewing the audit as a once-a-year event, we maintain an ongoing dialogue with management and owners to ensure key matters are identified early, expectations are aligned and issues are addressed as they arise.

## A practical audit cycle, tailored to you

While every engagement is bespoke, a typical audit follows a clear and straightforward cycle:



## Feedback, insight and ongoing support

We believe the greatest value comes from clear, constructive feedback. At the conclusion of the audit, we will discuss our observations with you, focusing on matters that are relevant, proportionate and actionable.

Outside the formal audit cycle, we remain available to discuss emerging issues, changes in accounting or reporting requirements, and developments within your business. This ongoing engagement allows us to provide timely insight and support informed decision-making throughout the year.

# Audit – delivering insight

## **A good audit delivers compliance, a great audit delivers value**

Our audit team is committed to not just making sure that your financial statements comply with regulation but to delivering real value and insight based upon our experience across many clients and sectors.

We will proactively seek to engage with you on your commercial issues, control environment, systems and processes to help you make the right decisions as you continue to grow.

## **Understanding your data**

Understanding your data is about more than analysing numbers in isolation. It requires insight into how transactions arise, how systems are used in practice, and how financial information reflects the underlying commercial reality of the business.

Through detailed discussion with your finance team and careful review of transactional activity, we build a clear picture of patterns, trends and areas of judgement. This approach allows us to identify higher-risk or unusual items and to challenge assumptions constructively where appropriate.

Our findings are translated into clear, practical feedback, helping you better understand your financial information and highlighting opportunities to strengthen processes, controls and reporting as the business continues to evolve.

## **More than an audit...**

Our wider team consists of specialists covering everything from personal taxation and payroll services through to corporate finance and process improvement. The audit team will draw on this knowledge as required and, as one of our clients, you would have immediate access to this network and all just a phone call away.

We will keep you informed of developments in accounting, tax, and corporate reporting, providing clear and reliable professional insights.



# Transition – simple and smooth

1

- Liaise with your outgoing advisor and initiate our onboarding process
- Confirm initial scope and tailor our audit and tax plans

2

- Begin understanding your systems and processes, and introduce ourselves to your team
- Finalise our formal audit planning procedures and issue the Audit Plan
- Agree on the nature and format of deliverables and carry out interim audit procedures

3

- Conduct main audit fieldwork
- Meet with management to finalise the audit process and agree any adjustments
- Review draft financial statements and begin processing corporation tax returns

4

- Issue audit opinions and present findings
- Complete and submit the corporation tax returns

5

- Seek formal feedback on our year one process

We know that changing professional advisors can lead to concerns.

We are used to handling the process and will proactively engage with your outgoing advisor to make transition as smooth as possible.



## Our credentials

We are one of the leading independent firms of Chartered Accountants and business advisors in the region delivering a broad range of specialist services to clients across multiple industry sectors.

Our partners and all of our staff are dedicated to delivering the highest levels of quality for our clients through our tailored services, at a cost that provides real value for money.

Our mission is to provide you with an efficient, reliable and personal service delivering high-quality, cost-effective advice.

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*The audit team are very efficient. They ask all the right questions and always have the patience to work through the information required. I would recommend other businesses reach out to Phipps Henson McAllister.”*

Furniture Industry Research Association

# Why Phipps Henson McAllister?

We're the obvious choice!

## With you every step



You provide first class customer service and rightly demand the same in your advisors. From day one we will be proactive and spend time getting to know all aspects of your business. We will bring fresh thinking and respond to your needs.

As you continue to execute your strategy we will be with you every step to offer support and expertise when you need it most.

Whether it be changes in tax legislation, emerging accounting issues or our observations of changes in the corporate finance landscape, we offer an unrivalled local team of experts on hand to share advice.

## A stable, local team



As a fellow business, we understand the pride you have.

We are no different which is part of the reason so many of our staff choose to develop their careers with us over the long term. This allows us to offer unrivalled stability in our client teams.

Our people are committed and responsive and right on your doorstep.

We will get to know you as people and always be on hand to offer advice at the right time.

## Efficiency and pragmatism



We are committed to providing you with a smooth, efficient service focused on risk.

Our audit is built around you and we will work with you to achieve pragmatic solutions.

Our audit software works seamlessly with our financial statement production software and other leading online accounting systems, making the audit process smoother and more efficient for you.

Our secure cloud based file sharing platform will allow us to agree deliverables early, saving you time and effort.

Our tax compliance services are designed to fit around the audit timetable – again saving you valuable time.

## Quality and value



Like you, a quality service is what defines us. We invest continually in the development of our people and processes to make sure that our team is engaged and fully focused on serving your needs.

Our robust quality assurance procedures, and response to external regulation, are designed to match best practice in the industry.

We will seek to add value at every point, from suggesting changes in internal controls through to sharing best practice, our people are keen to work with you.



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Phipps Henson McAllister are registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales.

