



# *Disciplinary Orders and Regulatory Decisions*

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## **Disciplinary orders**

Investigation Committee consent orders

1	Mr Simon Brian Thomas ACA	2
2	Mr Christopher Howard Taylor FCA	3
3	King Hope Limited	3
4	Mr David Brian Roberts FCA	4

## **Regulatory orders**

Audit Registration Committee

5	Calicon and Associates	5
6	Haywood & Co LLP	5
7	Creaseys Group Limited	5

Investment Business Committee

8	Prestons	6
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# INVESTIGATION COMMITTEE CONSENT ORDERS

## 1 Mr Simon Brian Thomas ACA

Consent order made on 12 March 2018

With the agreement of Mr Simon Brian Thomas of 2 Hinksey Court, Church Way, OXFORD, OX2 9SX. The Investigation Committee made an order that he be severely reprimanded, fines £2,650 and pay costs of £3,955 following a complaint that:

1. Between 25 November 2015 and 1 December 2015, Mr Simon Thomas ACA, when responding to professional clearance queries from the following clients made the following remarks:
  - (i) Dr A on 26 November 2015:  
“The Institute are already aware of Mr B’s actions, we’ll be in touch on their advice”
  - (ii) Ms C on 26 November 2015:  
“We are waiting to be advised by our professional body, the Institute of Chartered Accountants, with regards to a number of Mr B’s actions, past and present.”
  - (iii) Mr D on 30 November 2015:  
“We have had to consult with the Institute of Chartered Accountants regarding Mr B’s actions, past and present, we’ll act accordingly once briefed by them.”  
The comments at 1(i), (ii) and (iii) above were misleading in that he:
    - (a) Knew advice had already been given by ICAEW regarding professional clearance on 24 November 2015; and/or
    - (b) In accordance with that advice, knew that he needed to respond to Mr B’s professional clearance letters.
2. Between 10 September 2015 and 1 December 2015, Mr Simon Thomas ACA, failed to comply with section 150 of the Code of Ethics by making the following comments to the following clients’ about Mr B:
  - a. 11 September 2015 – Mr Thomas advised Ms E that Mr B had “immorally approached all of my clients. He has also failed to follow ICAEW procedures, so I’d keep your wits about you; there are also new changes to company compliance that require certain documents to be produced as evidence for HMRC going forward, just so you know.”
  - b. 12 November 2015 – Mr Thomas advised Ms F that he is “much more concerned about you doing anything with B. You have had investigations already, and I would not want you to get caught out again. I strongly suggest that you come and have a meeting with me, there are several things you should know.”
  - c. 30 November 2015 – Mr Thomas emailed Mr D and advised “I told you the situation in English, I won’t be replying again.

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031222

## **2 Mr Christopher Howard Taylor FCA**

Consent order made on 19 March 2018

With the agreement of Mr Christopher Howard Taylor of The Dial House, Doghurst Lane, Chipstead, Surrey, CR5 3PL, the Investigation Committee made an order that he be severely reprimanded, fined £5,000 and pay costs of £2,894 following a complaint that:

In or around July 2012, Mr Christopher Taylor FCA breached the fundamental principle of Integrity, in particular Section 110 of ICAEW Code of Ethics in that he allowed an independence file note for the audit of X plc for the accounting year end 2012 to be replaced on the audit file with an amended version of the file note such that the full content of the original file note was removed.

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**029482**

## **3 King Hope Limited**

Consent order made on 19 March 2018

With the agreement of King Hope Limited of 31 Victoria Road, DARLINGTON, DL1 5SB, the Investigation Committee made an order that the firm be severely reprimanded, fined £20,000 and pay costs of £6,143 following a complaint that:

On 2 August 2013 King Hope & Co issued an unqualified audit report on the financial statements of X Limited for the year ended 31 December 2012, when the audit had not been conducted in accordance with the following International Standards on Auditing (UK and Ireland):

1. International Standard on Auditing (UK and Ireland) 315 'Identifying and assessing the risks of material misstatement through understanding the entity and its environment', in that the firm failed to obtain a sufficient understanding of the entity and its environment to assess the risks of material misstatement of the financial statements, whether due to fraud or error.
2. International Standard on Auditing (UK and Ireland) 500 'Audit evidence' in that the firm failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion in respect of:
  - a) Turnover and cost of sales
  - b) Trade debtors and trade creditors
3. International Standard on Auditing (UK and Ireland) 520 'Analytical procedures' in that the firm failed to design and perform appropriate analytical procedures to assist the firm in forming an overall conclusion as to whether the financial statements were consistent with the auditor's understanding of the entity.
4. International Standard on Auditing (UK and Ireland) 570 'Going concern' in that the firm failed to obtain sufficient appropriate evidence regarding the appropriateness of management's use of the going concern assumption in the preparation of the financial statements.

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**033062**

#### **4 Mr David Brian Roberts FCA**

Consent order made on 12 March 2018

With the agreement of Mr David Brian Roberts of Melbourne House, 44-46 Grosvenor Square, STALYBRIDGE, CHESHIRE, SK15 2JN, the Investigation Committee made an order that he be severely reprimanded, fined £7,457 and pay costs of £1,968 with respect to a complaint that:

1. Mr David Roberts FCA, following a QAD visit on 8 May 2012, confirmed:

a. in respect of procedures for carrying out client due diligence on all clients:

‘A complete review of our money laundering procedures will be undertaken in the next three months with specific reference to the CDD on our existing cases.’

b. in respect of notifying clients of the basis of charging fees and the firm’s complaints procedure:

‘We propose to deal with each case at the same time that we are dealing with the Tax Return therefore by January [2013] all of the cases will have been covered.’

c. in respect of the firm’s letterhead displaying the incorrect audit legend:

‘We currently have a stock of letterheadings that should last for about four months. We would propose to have the audit legend amended when the next batch of Letterheadings is printed.’

but at a subsequent QAD visit carried out on 13 July 2015, it was found that these matters had not been addressed.

2. Between 30 May 2012 and 13 July 2015 Mr David Roberts failed to comply with paragraph 7 of The Money Laundering Regulations 2007 in that he did not ensure that appropriate and complete customer due diligence measures were applied to all of his firm’s clients.

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**037187**

## AUDIT REGISTRATION COMMITTEE

### ORDER – 21 FEBRUARY 2018

#### 5 Publicity Statement

Calicon and Associates, 11 Catherine Street, Waterford, County Waterford, Ireland, has agreed to pay a regulatory penalty of £1,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulations 3.20 and 6.06 for failing to carry out whole-firm reviews as part of its annual audit compliance reviews, and for errors on the firm's 2014-2016 ICAEW annual returns.

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041756

### ORDER – 21 FEBRUARY 2018

#### 6 Publicity Statement

Haywood & Co LLP, Kevan Pilling House, 1 Myrtle Street, Bolton, BL1 3AH, has agreed to pay a regulatory penalty of £1,500, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breaches of:

- audit regulation 2.03b for failing to ensure that a majority of the firm's voting rights were held by appropriately qualified individuals, and
- audit regulation 6.06 for errors on the firm's 2008-2017 ICAEW annual returns.

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042015

### ORDER – 21 FEBRUARY 2018

#### 7 Publicity Statement

Creaseys Group Limited, Level 1, Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS, has agreed to pay a regulatory penalty of £10,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of Audit Regulation 3.01, for acting as auditors of a group when a reasonably informed third party would conclude that an insurmountable threat to the firm's audit independence existed.

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040785

# INVESTMENT BUSINESS COMMITTEE

## ORDER – 1 FEBRUARY 2018

### 8 Publicity Statement

In view of the firm's admitted breach of DPB Regulations 2.07h and 4.04, Prestons of The Old Stables, Ilex Farm, Handley, Clay Cross, Chesterfield, Derbyshire, S45 9AT, has agreed to pay a regulatory charge (determined by the Investment Business Committee) of £1,100 for failing to carry out an annual compliance review and for the incorrect completion of its annual returns between 2009 - 2016.

**040192**

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All enquiries to the Professional Conduct Department, T +44 (0)1908 546 293