



BDO MALTA

Transparency Report 2023



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Our Why

Many organisations refer to their core purpose as being a 'fundamental reason for being'. At BDO, we call what we stand for our WHY. Our WHY puts into words why BDO exists: it defines us - and it is why we are unique.

In a business powered by people and relationships, we believe that our WHY helps our clients in choosing to work with us and encourages our people to stay with us. It also means that we actively support and help our local communities, initiatives and charitable enterprises.

**People helping people achieve their dreams –
That's our WHY.**

Mission Statement

OUR VISION IS TO BE THE LEADERS IN ACCELERATING BUSINESS GROWTH THROUGH EXCEPTIONAL CLIENT SERVICE. CONSISTENT EXCELLENCE IN QUALITY, EMPOWERED PEOPLE AND OUR VALUES ARE THE FOUNDATIONS ON WHICH THIS IS BUILT.

This means offering a tailored service, believing in the importance of close personal relationships, listening carefully and working with our clients to determine what exceptional client service means to them.

Our Brand Values

Our firm is distinctive, we want to preserve and build on the strengths of our culture and the characteristics that make us both successful and different. Our culture is built on a strong belief in our core values.

Honesty & Integrity

Be transparent, genuine and fair. Operate with the highest degree of personal and professional integrity. We need and want our clients to trust us. This can only happen if we act with honesty and integrity.

Mutual Support & Respect

Value and support each other. Maintain an inclusive working environment where teamwork and relationships matter. This allows us to work better together and to deliver better services to our clients as a result.

Professional & Personal Client Relationships

Understand the person as well as the business. Build relationships based on respect, trust and exceptional service. This reflects our commitment to understanding our clients and their businesses and markets.

Empowerment & Personal Responsibility

Work with confidence, flexibility and freedom. Understand that trust and responsibility go hand-in-hand. There can be no one-size fits all approach and we empower our people to have the flexibility and freedom to deliver what our clients need.

Facts & Figures

BDO GLOBAL STATISTICS 2023¹

GLOBAL REVENUES



TOTAL HEADCOUNT



GLOBAL FOOTPRINT



PERCENTAGE REVENUE BY REGION



FEE SPLIT BY SERVICE LINE



¹ Data 1 October 2022 to 30 September 2023 (including alliance firms)

BDO MALTA STATISTICS 2023²

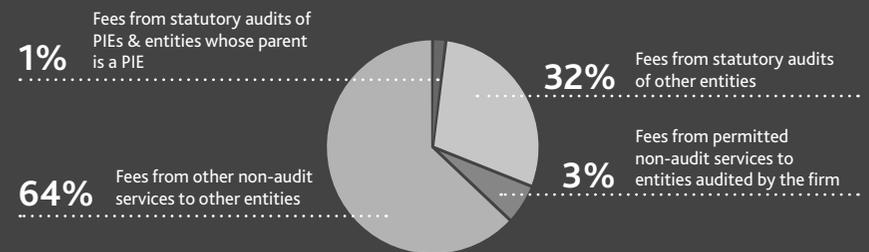
REVENUE



TOTAL HEADCOUNT



2023 REVENUE SPLIT



² Data 1 January 2023 to 31 December 2023

Introduction

From our Senior Managing Partner

WELCOME TO BDO MALTA'S TRANSPARENCY REPORT FOR THE FINANCIAL YEAR ENDING ON 31ST DECEMBER 2023.

As we present our Transparency Report for the financial year 2023, BDO Malta remains dedicated to upholding the highest ethical and professional standards, reaffirming our commitment to good corporate governance and exceeding stakeholder expectations.

In the past year, BDO Malta has once again demonstrated its resilience and commitment to excellence. Our fee income for the period saw a robust increase of 12% YoY, reflecting sustained growth across all service lines. The diversity of our revenue streams and client portfolio has proven instrumental, further solidifying our position in the market.

In the ever-evolving business and regulatory landscapes, entities under the BDO brand in Malta are positioned to assist clients in addressing complexities, both present and future. Our commitment to providing quality service remains fundamental to our success.

Recognising the importance of investment in our people, culture, training, and development, BDO Malta continues to prioritise these areas. As we look ahead, this commitment is reinforced by a robust digital security framework and quality management system, ensuring that we stay at the forefront of industry standards.

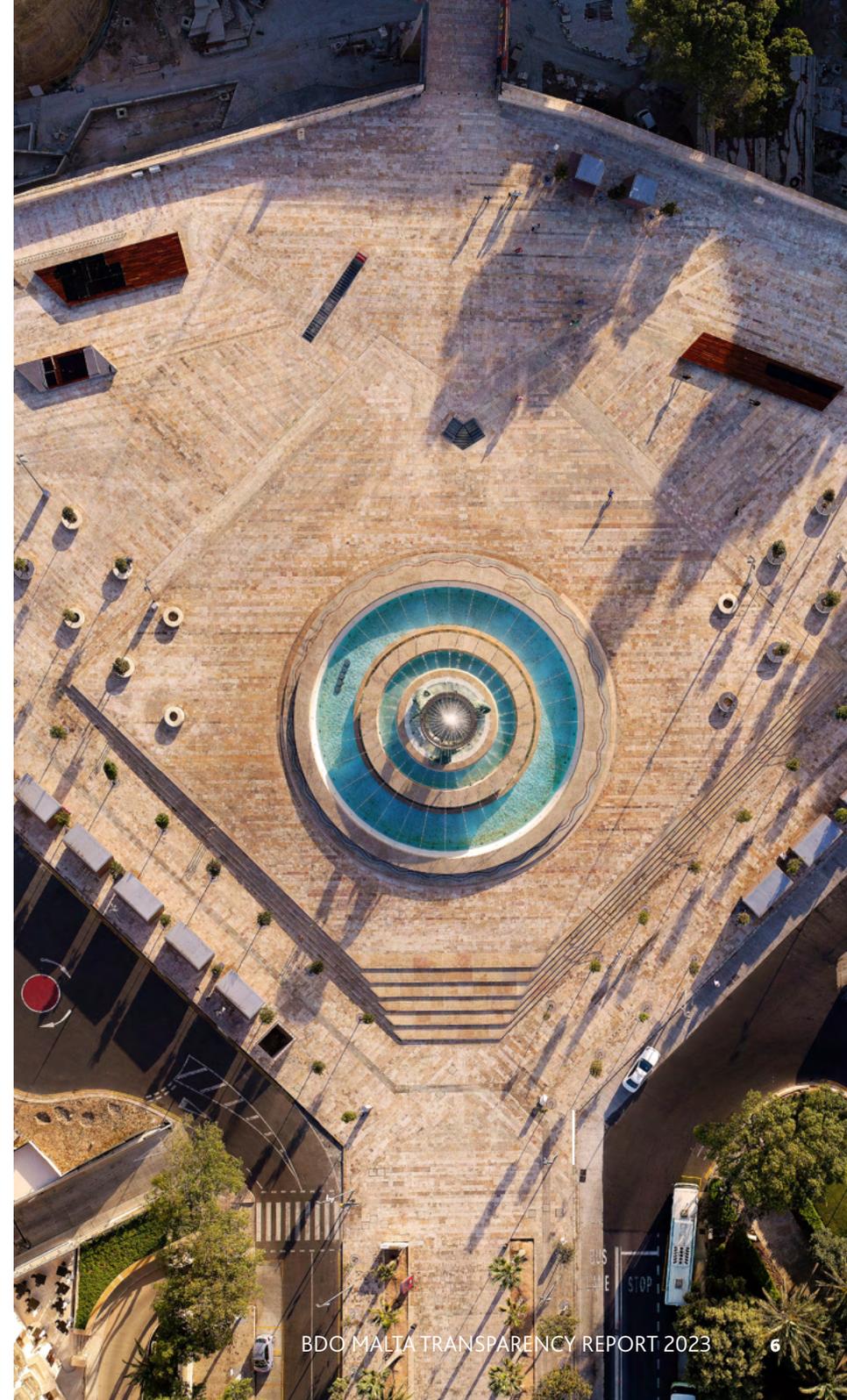
We extend our sincere gratitude to all our clients, partners, leadership and management team, and colleagues who have contributed to another year of success at BDO Malta. Your collaboration and support are invaluable, and we eagerly anticipate continuing our journey of growth in the years to come.'



John J. Attard

Senior Managing Partner

April 2024



Introduction

From our Chief Executive Officer

OUR COMMITMENT TO EXCELLENCE IN A DYNAMIC BUSINESS ENVIRONMENT

As we reflect on the exciting developments of 2023, BDO Malta remains dedicated to embracing a landscape filled with growth and transformation opportunities. In the face of ongoing geopolitical shifts and global dynamics, we are energised by the possibilities that lie ahead. Our revenue increased by a remarkable 12% compared to the previous year. This positive trend in our fee income underscores our clients' trust in our services and our ability to provide value even in a highly dynamic business climate.

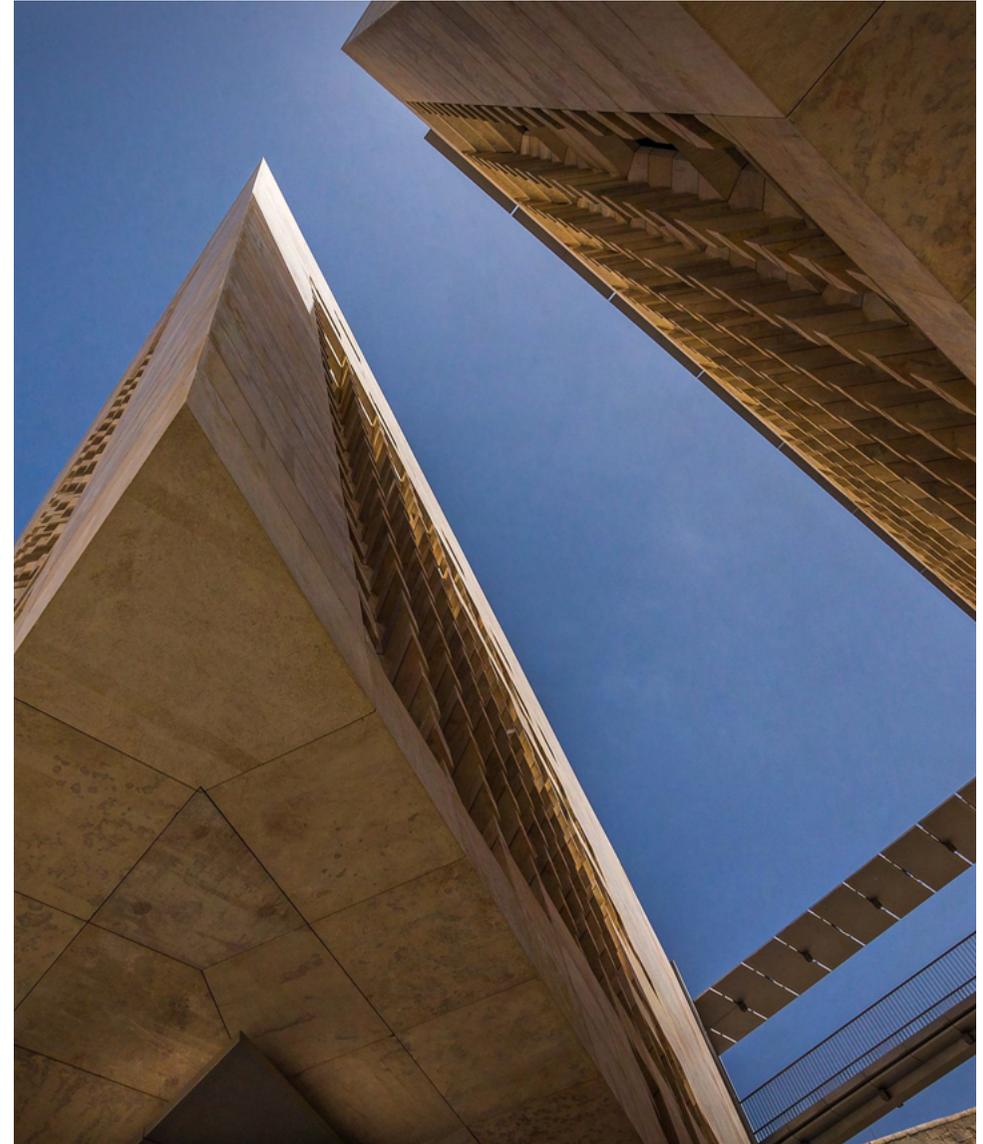
We extend our heartfelt gratitude to our clients for their support and trust. Recognising that our clients rely on us for timely and professional services, we are committed to exceeding their expectations. The dedication and hard work of our Partners, Directors and staff play a pivotal role in delivering exceptional service, contributing to our overall impact.

We recognise that our accomplishments closely align with the objectives of our clients. We are determined in our commitment to cultivating long-term, trusted relationships and delivering services that align with their aspirations. Our confidence in providing exceptional service and value remains robust, and we eagerly anticipate partnering with our clients as they explore the ever-evolving business landscape.

STRENGTHENING A CULTURE OF QUALITY

At BDO Malta, we dedicate ourselves to investing in the growth and development of our people to meet the increasing demand for our services. Our culture ensures that all clients receive professional and high-quality service. We take great pride in our commitment to audit quality management, and we are proud to have introduced an annual Audit Quality report in addition to publishing this Transparency report.

To further strengthen the culture of audit quality, in 2023 we launched an Audit Quality Award to celebrate and recognise outstanding achievements in maintaining audit quality standards within our audit teams. The meeting of the BDO Global Audit & Assurance Quality Committee in Malta last April was also noteworthy of our commitment to upholding the highest audit quality standards. The interaction allowed us to share insights and discuss global trends in audit.



Introduction

From our Chief Executive Officer

The recent Audit & Assurance Culture of Quality survey affirms our firm's dedication to excellence. Respondents overwhelmingly express alignment with our values. They acknowledge our leaders' commitment to high-quality work, understand engagement expectations clearly, embrace personal responsibility, and feel secure in their roles. These insights validate our commitment to quality and guide our ongoing improvement efforts.

We also prioritise investing in our employees and during 2023 we conducted various management development training sessions to foster the growth of our managers and leaders. This encompasses both honing hard skills and nurturing soft skills. Additionally, we actively participate in career fairs and events, reinforcing our commitment to future generations by showcasing the BDO brand and providing opportunities for engagement.

In 2023, Malta was chosen to be amongst the first markets to launch BDO's brand refresh, reinvigorating our image which reflects our evolving identity. As part of this initiative, we launched a new website, offering our audience an enhanced digital experience and improved accessibility to our services and resources.

Additionally, in line with our commitment to robust governance, we appointed two new directors in 2023 to strengthen our leadership team and governance structure. Their expertise and guidance will play an important role in guiding our strategic initiatives and ensuring the highest standards of governance and integrity across our operations.

LOOKING AHEAD

Talent retention and acquisition are critical challenges that we are actively addressing. We recognise the importance of investing in our people and providing them with opportunities for growth and development. This not only benefits our staff but also translates into exceptional service for our clients.

The disruption and opportunities presented by AI technologies are also at the forefront of our minds. We are actively exploring ways to leverage these technologies to enhance our services and provide even greater value to our clients.

Looking ahead, we see a future filled with exciting possibilities. As we adapt to ongoing changes, we will leverage newly acquired knowledge and technological advancements to benefit our clients. Our culture of continuous improvement and innovation fuels our commitment to providing outstanding service. Our ongoing investments in technology, quality, and people position us to stay ahead of the curve and confidently embrace future opportunities.

We express our sincere appreciation for the continued trust and support of our clients and pledge to work tirelessly to meet and exceed their expectations. With our staff's continuous dedication and hard work, we are confident in our ability to deliver exceptional value and quality service in the years to come.



Mark Attard

Partner & CEO

April 2024

TRANSPARENCY REPORT 2023

This transparency report has been drawn up in terms of directive 2006/43/EC of the European Parliament and the council, of 17th May 2006, together with the Accountancy Profession Act. (*Chapter 281 of the Laws of Malta*)

Legal structure and ownership

At the end of 2023, BDO Malta was managed by two equity partners and three non-equity partners.

The firm provides audit and assurance services, tax and other non-assurance services. It holds a licence to practice as an audit firm in terms of the Accountancy Profession Act.

Other services to clients are provided principally through BDO Consult Limited, BDO Technology Advisory Limited and BDO Services Limited.

BDO Malta can trace its origins back to 1978. It became a correspondent of the BDO network in 1988 and a member firm in 1992. Besides being a professional firm of auditors, accountants, tax consultants and advisers, BDO Malta strives to establish durable and loyal ties between partners, staff and clients, while at the same time achieving a balance between the interests of all concerned.

Throughout the years we have brought together a strong team of professionals that can offer all clients an in-depth market knowledge combined with a global industry expertise and technical skills that enable us to fulfill our clients' complex needs.

BDO Malta operates from its offices in Msida, Malta.

Global Tax Assurance and Risk Management

**BDO
INTERNATIONAL**



BDO International

BDO MALTA IS A MEMBER FIRM OF BDO INTERNATIONAL

DESCRIPTION OF THE NETWORK

The BDO network is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO Member Firms'). BDO is the brand name for the BDO network and all BDO Member Firms.

LEGAL AND STRUCTURAL ARRANGEMENTS IN THE NETWORK

Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, as either a voting member (one per country) or a non-voting member. BDO International Limited is the governing entity of the BDO network and sets the membership obligations of the BDO Member Firms in the Regulations.

The BDO network is governed by the Council, the Global Board and the Global Leadership Team of BDO International Limited.

The Council comprises one representative from each voting member and comprises the members

of BDO International Limited in general meeting.

The Council approves the network's central budget, appoints the Global Board and approves any changes in the Articles and Regulations of BDO International Limited.

The Global Board, which is the Board of Directors of BDO International Limited, comprises a representative of the BDO network's seven largest member firms, whose appointment, each for a three year term, is approved by the Council.

The Global Board sets priorities for the BDO network and oversees the work of the Global Leadership Team. The Global Board meets at least four times a year.

The Global Leadership Team is tasked with coordinating the activities of the BDO network. It is headed by the CEO and comprises the COO (currently also acting as Global Head of Advisory), Global Heads of Audit & Assurance, Tax, HR & Development, Business Development & Marketing, IT, Transformation, the CEO EMEA, the CEO Americas, the CEO Asia Pacific and the International Secretary.



BDO International

BDO MALTA IS A MEMBER FIRM OF BDO INTERNATIONAL

The Global Leadership Team is supported by the Global Office at Brussels Worldwide Services BVBA. Brussels Worldwide Services BVBA, a Belgian limited liability company, provides services to assist in the coordination of the BDO network.

BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO Member Firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO Member Firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide services BVBA and/ or the BDO Member Firms.

The global aggregated turnover for BDO member firms (including their exclusive Alliances) in 164 countries for the year ended 30 September 2022 was in excess of \$12.8bn. Partner and staff numbers at 30 September 2022 were some 111,307.

This tangible growth in revenues can be attributed to:

- ▶ The network's successful mergers and acquisitions strategy, aided by the continuing consolidation of the accountancy profession;
- ▶ New firms expanding the network's global footprint and bolstering performance in existing key territories;
- ▶ Sustained organic growth across all regions;
- ▶ The drive to adapt and transform the delivery of exceptional client service through the application of powerful new technologies.





BDO
BDO MALTA

BDO Malta

BDO Malta is a Member Firm of BDO International, one of the world's largest professional services firms. BDO provides accounting and auditing, tax and consultancy services on a globally integrated basis with over 1,776 offices in more than 164 countries and territories. Combining our international capabilities and local market knowledge with an extensive range of skills and industry expertise, we are able to provide a one-stop shop for all your accounting, audit, legal, management consulting and corporate finance needs.

The following entities conduct their business under the BDO brand in Malta: BDO Technology Advisory Limited, BDO Services Limited, BDO Consult Limited, BDO Fintech Advisory Limited, BDO Advisory Limited.

Licensed by the Malta Financial Services Authority to act as trustee, BDO Consult Limited's team of well-trained individuals work with integrity and commitment to providing an excellent service tailored to meet specific requirements.

The services we provide are as follows:

- ▶ Tax Consultancy;
- ▶ Tax & VAT Compliance;
- ▶ Incorporation / Formation of Companies;
- ▶ Finance & Accounting Outsourcing;
- ▶ Banking;
- ▶ Legal & Consultancy Services;
- ▶ Licensing;
- ▶ Correspondence & Administrative Services;
- ▶ Company Secretary;
- ▶ Directorship;
- ▶ Audit & Assurance;
- ▶ Payroll;
- ▶ Trusts & Foundations;
- ▶ Securitisation Vehicle & Funds Setup;
- ▶ Malta Residence & Visa Programme;
- ▶ Gaming Advisory & Compliance;
- ▶ Gaming Key Individuals Outsourcing;
- ▶ AML/CFT Compliance Advisory;
- ▶ IT Assurance;
- ▶ IT Managed Solutions;
- ▶ IT Compliance & Regulatory Advisory;
- ▶ Outsourcing Services;
- ▶ Risk Advisory;
- ▶ Fintech Advisory;
- ▶ Fiduciary Services;
- ▶ Technology Solutions & Advisory;
- ▶ Aircraft Registration and Tax Advice;
- ▶ GDPR & DPO Services;
- ▶ Internal Audit;
- ▶ Whistleblower Protection Services;
- ▶ DORA Compliance Services.

BDO Malta is an end-to-end corporate services provider assisting international and local companies in transactions, tax, licensing for regulated businesses, company administration, advisory and consulting as well as other corporate requirements.

Our team evolved in its present form through the engagement of specialists who have excelled in their various fields. Our exceptional service delivery is built on five key components: clear understanding of client needs, effective communication, commitment to our clients, the best available professionals and strong ethical values.

Governance Structure & Internal Quality Control

GOVERNANCE STRUCTURE

At BDO Malta, the management function is carried out by the partners. Mr. John J. Attard is the Senior Managing Partner. The partners of the firm are Mr. John J. Attard, Mr. Mark Attard, Mr. Sam Spiridonov, Mr. Josef Mercieca and Mr. Andrew Zarb Cousin.

Mr. Mark Attard is the Chief Executive Officer and International Liaison Partner. All salaried partners receive an agreed remuneration package that is commensurate to their position and responsibilities.

The equity partners do not receive a fixed salary. They share profits on an annual basis in proportion to their equity.

LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

Quality management is dependent upon an organisational structure which is inherently sound, and which clearly defines the responsibilities of the various levels of management.

The leadership at BDO Malta is responsible for:

- ▶ developing assurance methodology and guidance to ensure compliance with auditing standards;
- ▶ maintaining the firm's technical manuals and communicating developments to the firm's partners and staff;
- ▶ helping maintain the firm's assurance practice at the highest standards prevailing in the profession, including the supervision of the firm's auditing work;
- ▶ consulting with local office partners and other professionals seeking technical advice; and overseeing the firm's technical continuing professional education programmes.

The Chief Executive Officer has the ultimate responsibility and accountability for BDO Malta system of quality management.

Our culture of quality is built on the commitment to integrity and ethical behavior. Ethics and Independence Leader has the operational responsibility for the firm's compliance with ethics and independence requirements.

The Head of Quality Management has operational responsibility for the system of quality management and also operational responsibility for the monitoring and remediation process of the firm.

BDO Malta's ongoing mission is to drive quality throughout the firm. The evaluation of a firm's performance also involves the review of a sample of assurance engagements. Other monitoring procedures are implemented and performed at firm level by responsible person(s) on a periodic and continuous basis. These procedures are focused on compliance with professional standards and incremental BDO standards.

The Audit Partners have responsibility in respect of audit quality within the firm. Any changes in the firm's audit procedures can only be made after authorisation has been given by one of the partners.

The firm continually strives to achieve high quality standards in the services provided. In achieving this it is the firm's policy:

- ▶ to ensure quality in all assignments performed;
- ▶ to ensure that commercial considerations never override the quality of performance;
- ▶ to ensure that sufficient resources are devoted to the development and support of the firm's policies and procedures; and
- ▶ to ensure that all audit work is controlled and signed off by the partners.



ETHICAL AND INDEPENDENCE REQUIREMENTS

The Firm maintains compliance with independence standards specific to engagements. Compliance is maintained by adapting the framework set out in the BDO Global Independence Policy which encapsulates the IESBA Code of Ethics and The Code of Ethics requirements.

The Firm also adopts independence requirements as stipulated in The Code of Ethics for Warrant Holders issued under the Accountancy Profession Act (Cap 281) and Accountancy Profession Regulations 1986 (as amended), without reducing the requirements set out in the IESBA code of ethics.

The Firm's adherence to this global policy extends to encompassing engagements under ISQM1.

The Firm considers several critical independence factors that are considered in the audit process, in order to safeguard objectivity and professional judgement. Ensuring that the audit process remain unbiased and free from influences that may compromise professional judgement, the following measures are taken into account:

1. Financial, Employment, and Business Relationships:

Auditors assess financial, employment, or business relationships that may impact their independence. This includes relationships with the audited entity, its executives, or any other parties related to the client. Disclosures ensure that potential conflicts of interest are identified, and further evaluated to identify if objectivity would be compromised.

2. Pre-Approval and Permissibility of Services:

Pre-approval processes are established to evaluate and approve non-audit services provided by the audit firm to the client. A review of the nature, scope and fees of such services are taken into account to determine the permissibility of these services to prevent any compromise of independence.

3. Rotation Requirements:

In Regards to long-term familiarity risk, leading to compromised objectivity, rotation requirements are implemented. These requirements mandate the periodic rotation of audit partners and engagement teams.

4. Fee Arrangements:

Audit fees are structured in a manner that ensure independence. Excessive fees or dependence on select clients for substantial revenue would compromise the auditors ability to maintain objectivity. Audit fees are reviewed preventing undue influence on the audit process.

5. Partner Remuneration:

Partners are not tied to the financial performance of the audited entity. Performance-based incentives can lead to conflicts of interest. A transparent and fixed remuneration structure is incorporated to uphold independence and professional judgement.

APPLICATION OF SAFEGUARDS IN RELATION TO THREATS TO INDEPENDENCE

Where the independence of the firm is threatened (excluding cases where specific action is prohibited), an impartial evaluation is conducted by the Audit Partner, distinct from the Audit Engagement Partner, to uphold the integrity of the firm.

If the implemented safeguards are deemed insufficient to address the relevant threats, the firm is to withdraw from its role as auditor, ensuring that the established safeguards are approved by the Ethics and Independence Leader.

Team members are responsible for informing the Audit Engagement Partner, Head of Audit & Assurance Quality Management, and the Ethics & Independence Leader about potential threats to independence.

The permissibility of non-audit services is evaluated to ensure compliance with ethical standards. Additionally, any partner other than the Audit Engagement Partner intending to perform non-audit services for an audit client must inform the Audit Engagement Partner before initiating any work to properly assess the overall impact of ethical requirements on the audit engagement. Annual declarations are submitted by all partners and staff to verify adherence to relevant ethical standards.

ENTITY MANAGEMENT SYSTEM - PROJECT COI 2

In a move towards fortifying commitment to independence, BDO Global launched the COI 2 Project in 2023. This initiative stands as a testament to BDO's dedication to continuous improvement, with the primary goal of enhancing our ability to identify, assess, and address threats to independence and potential conflict matters in a timely and efficient manner.

COI 2 introduced phase one, which was the implementation of the Entity Management System that was adopted by all BDO member firms throughout the year.

With over 55,000 conflict of interest requests issued annually on the Member firm square portal (MFS) and more than 760,000 firm responses, the EMS facilitates targeted Conflicts of Interest checking, ensuring that potential conflicts are precisely identified and swiftly addressed. The system enables members of the network to create, access and approve unified client corporate trees, ensuring that the appointed responsible parties affect the changes for accuracy.

This project streamlines local and global processes, allowing for timely and informed decisions. The project optimizes the utilization of firm resources, ensuring that professionals can focus on delivering high-quality services with the confidence that our independence protocols are robust and responsive. The project's assisted automation ensures accuracy, responsiveness, and increased efficiency in COI and independence checking processes. This, in turn, allows BDO professionals to concentrate on what they do best –

providing exceptional service to clients while upholding the highest standards of independence.

This strategic investment contributes to the creation of a cohesive and integrated global network, fostering collaboration and transparency.

ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS

Robust client and engagement acceptance procedures play a pivotal role in the firm's ability to deliver a professional and quality service.

Prior to the acceptance of any new client, procedures to assess the risks associated with that client must be carried out. These will include:

- ▶ consideration of the client's business including its geographical spread and the industry it operates in;
- ▶ evaluation of information concerning the client, its management and its owners including obtaining evidence of the identity of the owners and officers of the business;
- ▶ considering information regarding the character and reputation of the prospective client and key personnel;
- ▶ assessment of potential independence risks and potential conflicts of interest;
- ▶ if relevant, inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why we should not accept the appointment;
- ▶ assessment of our ability to serve the prospective client; and
- ▶ reviewing filings of the company, including prior year financial statements.

The acceptance of all clients requires an approval process that is appropriate to the perceived risk. "High risk" assurance clients require prior approval by the Audit Engagement Partner and the Chief Executive Officer.

The firm has in force appropriate safeguards to ensure that any familiarity threat arising from a long association with a client by either a partner or key staff member is reduced to an acceptable minimum level. The firm only accepts or continues an assignment when it is certain that the client concerned does not lack integrity, and that it is competent to perform the required services and that it can comply with ethical standards and the Code of Ethics.

The Audit Engagement Partner completes the firm's client acceptance or re-appointment documentation before the start of every assignment. The relevant sections of the firm's standard audit procedures are completed during the planning stage of the assignment.

The Audit Engagement Partner must consider on an ongoing basis any information which arises in respect of an assignment and which would have had an impact on the decision to accept re- appointment.



PREVENTION OF MONEY LAUNDERING AND FUNDING OF TERRORISM

As part of the acceptance and continuance processes, the firm heavily prioritises not only the implementation Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT), but also keeping abreast with ongoing affairs, ensuring that the accuracy of firm's risk methodology. These internal policies delineate the Firm's risk tolerance towards risks and assesses the controls in place to identify is such risks may be reduced, controlled and / or mitigated. These measures are designed to not only mitigate the likelihood of money laundering and terrorism financing but also to facilitate their timely detection.

The Partners, Directors and Money Laundering Reporting Officer (MLRO) of the firm maintain commitment to safeguarding BDO Malta against the potential risks associated with money laundering and terrorism financing. The internal compliance department conducts thorough reviews of customer files to ensure the accuracy and currency of information

provided. This process is crucial for assessing all potential risks associated with each customer, thus enabling the implementation of necessary safeguards. By undertaking these measures, the firm maintains its integrity by only accepting customers who align with internal acceptance policies, ensuring that customers align with the firm's risk appetite. In cases where customers present risks beyond these parameters, internal committees are convened to conduct further evaluations and make informed decisions accordingly.

As part of its ongoing compliance efforts, all employees are required to, at least annually attend mandatory firm training on AML/CFT, affirm their familiarity with the established procedures, confirm their adherence to these protocols, and acknowledge the identity of the Firm's MLRO. This practice ensures that every member of the Firm remains aware of their responsibilities in upholding the Firm's AML/CFT standards.

Participation in Industry Events

Our teams retained a high level of activity throughout 2023 ensuring the BDO brand is present at several high-profile conferences attending as exhibitors and visitors.

ICE LONDON 2023

BDO Malta proudly participated in ICE London 2023, one of the largest and most influential gaming events in the world, held from February 7th to the 9th, 2023.

At ICE London 2023, BDO Malta showcased its comprehensive suite of services designed to help gaming operators navigate their regulatory requirements and ensure their businesses remain compliant with industry standards. The firm's experienced team of gaming experts were on hand to answer questions and provide insights on the latest service offerings of the firm.



PARTICIPATION IN INDUSTRY EVENTS



MSE GRC SUMMIT 2023

BDO Malta participated as panelists at the Governance, Risk & Compliance Summit 2023 organised by the Malta Stock Exchange.



BDO GLOBAL TAX CONFERENCE 2023

Members of our tax team took part at the Tax conference 2023 organised by BDO Global, held in Vienna, Austria.

PARTICIPATION IN INDUSTRY EVENTS



BDO AUDIT LEADERSHIP SUMMIT 2023

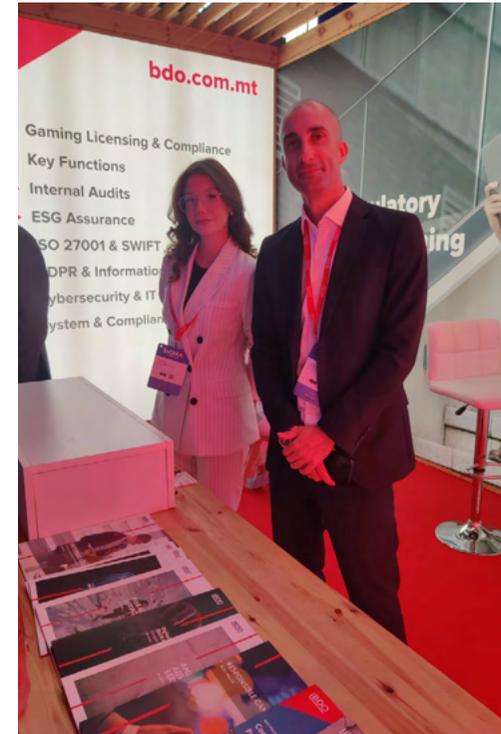
Our Audit team participated in the Audit Leadership Summit 2023 organised by BDO Global in Dubai.



BDO GLOBAL LEADERSHIP SUMMIT 2023

Our CEO & Head of Corporate Development took part in the BDO Global Leadership Summit 2023, held in Vancouver, Canada.

PARTICIPATION IN INDUSTRY EVENTS



SIGMA MALTA 2023

BDO Malta participated as an exhibitor at the eight edition of SiGMA 2023, one of the biggest gaming expos of the year, that was held in Malta between the 14-18 November 2023. The annual Malta Week event hosted by SiGMA Europe brings together an expo, conference, and networking opportunities with an international and diverse lineup of industry professionals. BDO's participation at SiGMA 2023 was a resounding success. Throughout the event, BDO's staff members were on hand to answer questions and network with other industry professionals. They proved to be a valuable resource for visitors seeking information or guidance about gaming licensing in Malta.

A photograph of three people in a meeting. On the left, a man with glasses and a beard is looking towards the center. In the middle, a man with glasses is looking towards the right. On the right, a woman with long hair is smiling and looking towards the man in the middle. They are sitting on a grey couch in front of a large window with a view of a city. The text 'HUMAN RESOURCES' is overlaid on the left side of the image.

HUMAN RESOURCES



Human Resources

The People & Culture department is critical for the success of our firm. It ensures that the firm upkeeps ethical and high standards, in accordance with professional and legal requirements. The People & Culture function continuously works on refining the following areas:

- ▶ clear and consistent policies;
- ▶ recruitment;
- ▶ training and development;
- ▶ compensation and benefits.

CLEAR AND CONSISTENT POLICIES

Our BDO Policies and Procedures manual was updated to enhance the firm's policies and procedures for our office. The manual is continuously monitored by our team who ensure that the contents are up to date and consistent with the guidelines set by the company.

These guidelines are formed by taking into consideration Maltese legislation as well as regulations

set out by BDO International and the latest best practices in cyber security, AML and other areas.

The BDO Policies and Procedure Manual provides clarity and coherence on company goals, structures and vision to enable employees to align with them. Every employee has access to the manual and they are expected to make themselves familiar with its contents and any updates which may happen from time to time.

Non-compliance with the firm's policies and procedures by employees, is considered an obstruction of the professional and ethical standards set by the firm and may lead to various consequences.

RECRUITMENT

One of the leading functions overseen by our People and Culture team is recruitment, who work actively to find and attract professional as well as talented personnel.

The team works actively to promote diversity and inclusiveness within the firm's culture which is equally projected in the recruitment process where we do not discriminate on age, disability, ethnicity, gender, nationality, race and religion.

19
Different
nationalities

61%
Female

39%
Male

24%
Parents

33
Years
average age



COMPENSATION AND BENEFITS

As a firm we believe that success can only be channelled through our employees and the service that they provide to our clients. In return we invest in our employees by providing compensation and benefits to ensure that they are motivated and driven towards their daily responsibilities.

A list of benefits which BDO Malta provides are:

- ▶ Competitive Salary Package
- ▶ Annual Bonuses / Salary Increase based on performance
- ▶ Relocation Support
- ▶ Career Development & Educational support
- ▶ Health Insurance Plan
- ▶ Regular Social Activities throughout the year
- ▶ Casual Fridays
- ▶ CSR Activities
- ▶ Underground Parking
- ▶ Reduced Summer hours
- ▶ Hybrid work week
- ▶ Flexible start & end working times
- ▶ Training & Development

TRAINING AND DEVELOPMENT

The firm believes in the continuous development of employees as it warrants up to date knowledge which can be implemented in their day to day tasks. In fact, the firm has put in place certain processes such as, yearly performance reviews, reviews for employees under probation, identifying conferences / seminars which could prove beneficial to employees and educational support for employees who are interested or are already undertaking educational courses. The firm also invests in numerous soft skill training programmes to support its employees in their continuous personal development.



**BDO IN THE
COMMUNITY**

BDO IN THE COMMUNITY

At BDO Malta, we believe that we have a responsibility towards our community and our people. We are committed to being a responsible business and continuously try to help contribute to the wider community and the world around us.

This philosophy towards BDO's corporate social responsibility is aligned with BDO's values and our desire to be actively involved in the hopes of making a long-lasting positive impact. Our involvement in the community includes both financial support and the investment of our people's expertise and time in organisations and causes.

Every year, especially around Christmas, BDO in Malta make a special effort to assist those in need in the community, as part of the annual firm's corporate social responsibility plan.

You can find below a list of NGOs and charities that we supported as part of our firm's CSR plan:

Children's dreams

Children's Dreams is a project with the sole mission of making the Christmas wishes come true for the children identified by FSWS, which come from families facing social and financial difficulty, and also children being raised in Children's Homes.

NahsebFik

This project, "NahsebFik", publishes the wishes of elderly people who are lonely and face various social difficulties and possibly have health issues.

Our staff step in to support these initiatives and grant wishes by purchasing gifts for the elderly and children. The gifts are collected at the firm's office and then delivered by the team to the local distribution centres. Around Christmas, we also collect non-perishable food items that are donated to the Foodbank lifeline Foundation.

Foodbank Lifeline foundation

Foodbank Lifeline Foundation was set up by Reverend Kim Hurst in 2015 when a member of her congregation saw someone searching for food in a public rubbish bin. Upon hearing that no foodbank existed in Malta she made it her mission to ensure that no one in Malta had to suffer the indignity of hunger. From feeding 30 families a month, they are now feeding thousands of people every year.

BDO Charity fund

As part of our CSR initiatives, we also have an internal charity fund which is funded by BDO Malta's employees. In 2023, the charities that were chosen were the following ones:

Association for Abandoned Animals (AAA Malta): The Association for Abandoned Animals is a voluntary registered non-governmental organisation that hosts abandoned dogs.

Puttinu Cares: Puttinu Cares is a non-governmental organisation that supports children and even adults suffering from cancer



BDO IN THE COMMUNITY



BDO MALTA SPONSORS UNIVERSITY OF MALTA ANNUAL CONFERENCE ON STUDENTS WELL-BEING

BDO Malta recognises the importance of supporting initiatives that contribute to the betterment of society. The sponsorship of the conference aligns with BDO's commitment to corporate social responsibility and its dedication to creating a positive impact on the communities it serves.

BDO IN THE COMMUNITY



DONATION FOR PINK OCTOBER

During the month of October BDO brought pink doughnuts to the office which were sold at our office canteen and all proceeds were donated to raise awareness on breast cancer and support the cause.



BDO IN THE COMMUNITY



BDO MALTA SUPPORTING WAVE OF CHANGE MALTA

Members of our audit team attended the Wave of Change (Malta) event organised by Neil Agius celebrating the launch of the 30x30 campaign focused on preserving and regenerating marine environments. As auditors of the foundation, it was a pleasure to support such meaningful initiatives that contribute to improving our environment.



FOOD BANK LIFELINE FOUNDATION

BDO Malta staff members donated food items to the Foodbank Lifeline Foundation for people in need.

BDO IN THE COMMUNITY



DONATION TO ASSOCIATION FOR ABANDONED ANIMALS (AAA MALTA)



DONATION TO PUTTINU CARES



BDO MALTA GRANTING WISHES TO CHILDREN & THE ELDERLY

STAFF EVENTS

Our events are an opportunity for our people to interact in a more informal way. In 2023, the staff participated in several social events, career events, training and development sessions organised throughout the year which provided them with the opportunity to socialise both during and outside our normal working environment.



BDO MANAGEMENT DEVELOPMENT SESSIONS 'LEADING WITH IMPACT'



ICE CREAM DAY AT THE BDO MALTA OFFICE

STAFF EVENTS



CELEBRATING EASTER AT OUR OFFICE



TEAM BUILDING: TREASURE HUNT IN THE THREE CITIES

STAFF EVENTS



BDO GLOBAL AUDIT & ASSURANCE MEETING HELD IN MALTA

The BDO Global Audit and Assurance team chose Malta as the location for one of its global meetings, visiting BDO Malta to join in the 45th anniversary celebrations of the firm since its establishment in Malta.

STAFF EVENTS



BDO MALTA SUMMER PARTY 2023

STAFF EVENTS



GAMES NIGHT AT BDO MALTA



FIRST AID COURSE FOR OUR EMPLOYEES

STAFF EVENTS



FATHER'S DAY



BDO MALTA CELEBRATES AUDITOR PROUD WEEK

STAFF EVENTS



FIRE WARDEN TRAINING



CELEBRATING INTERNATIONAL ACCOUNTING DAY AT BDO

STAFF EVENTS



TEAM BUILDING: SPORTS DAY 2023

STAFF EVENTS



AUDIT TEAM TRAINING AND DEVELOPMENT



2023 AUDIT QUALITY AWARD NIGHT

STAFF EVENTS



BDO 2023 CHRISTMAS LUNCH AND PARTY



CHRISTMAS JUMPER DAY



**ENGAGEMENT
PERFORMANCE AND
AUDIT QUALITY**



The firm's system of quality management (SoQM)

OVERVIEW OF THE SOQM

International Standards on Quality Management 1 ('ISQM 1') became effective on 15 December 2022 and required firms to establish a System of Quality Management ('SoQM') which takes a proactive and risk-based approach to managing quality.

BDO Malta is responsible for designing, implementing, and operating a SoQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, to provide the firm with reasonable assurance that the objectives of the SoQM are being achieved.

The Firm has invested significant time and resources to establish and operate a SoQM that complies with ISQM 1 and achieves the objectives that that:

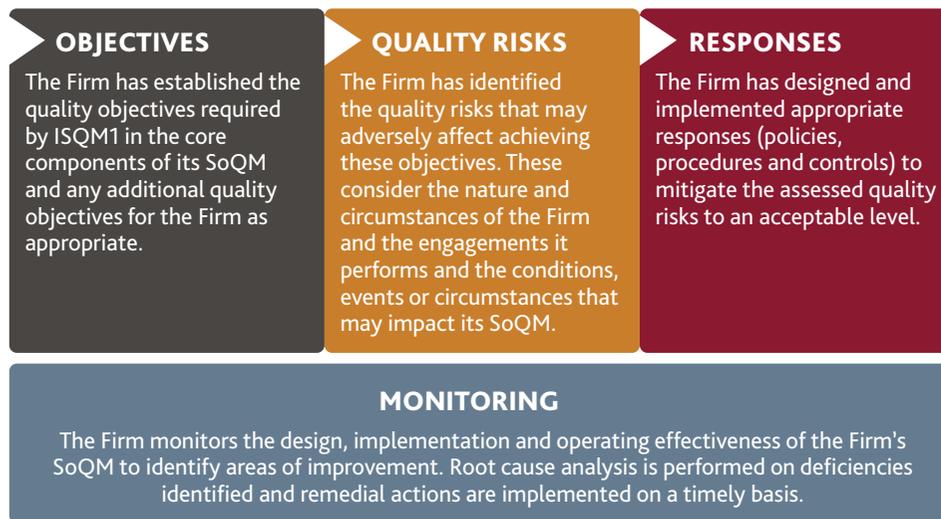
- ▶ The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- ▶ Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

The Firm has adopted all of the quality objectives and specified responses as set out in ISQM 1 for all of the eight components covered by our SoQM. The eight components are:

- ▶ The Firm's risk assessment process
- ▶ Governance and leadership
- ▶ Relevant ethical requirements
- ▶ Acceptance and continuance of client relationships and specific engagements
- ▶ Engagement performance
- ▶ Resources
- ▶ Information and communication
- ▶ The Firm's monitoring and remediation process

These components operate in the Firm's SOQM in an iterative and integrated manner. Other requirements of ISQM 1 comprise the roles and responsibilities for the SoQM, leadership's overall evaluation of the system, network requirements or network services and documentation.

To support the achievement of the Firm's overall quality objectives, in establishing and continuously improving the Firm's SoQM, the Firm has carried out the following for each of the components of its SoQM:



The Firm identifies emerging developments and changes in the circumstances of the Firm or its engagements and adapts its system of quality management to respond to such changes.

Robust monitoring and remediation are an important component of the Firm's SoQM to ensure that the Firm continuously seeks to improve its quality processes. The monitoring performed may identify deficiencies in the Firm's SoQM. Deficiencies may exist where:

- ▶ A quality objective required to achieve the objectives of the system of quality management is not established;
- ▶ A quality risk, or combination of quality risks is not identified or properly assessed;

- ▶ A response, or combination of responses, does not reduce to an acceptably low level the likelihood of a related quality risk occurring because the response is not properly designed, implemented, or operating effectively; or
- ▶ Another aspect of the soqm is absent, or not properly designed, implemented, or operating effectively, such that a requirement of isqm 1 has not been addressed.

A fundamental part of an effective monitoring and remediation process is to perform root cause analysis ('RCA') on the identified deficiencies to understand why deficiencies arose and to be able to design an effective remediation plan to prevent deficiencies from occurring again in the future. On at least an annual basis the firm evaluates whether these deficiencies have a severe and/or pervasive impact on the achievement of the quality objectives in the Firm's SoQM.

Evaluating the SoQM

The Firm's annual evaluation of the SoQM considers information gathered about the design, implementation, and operation of the system of quality management from monitoring activities performed over the period up to the evaluation date. The monitoring activities include testing the operating effectiveness of responses, reviewing findings from internal and external inspections of engagements, and considering other relevant information obtained about the SoQM.

The Firm uses professional judgment to evaluate the results of these monitoring activities to determine whether findings, individually or in aggregate, are assessed to be deficiencies in the SoQM. For all deficiencies identified, the root cause is investigated and the severity and pervasiveness of the deficiency on the SoQM, individually and in aggregate with other identified deficiencies, is evaluated.



Statement on the Firm's evaluation of the SoQM

We conducted our evaluation in accordance with ISQM 1 and concluded that the firm's SoQM provides the firm with reasonable assurance that the objectives of the SoQM are being achieved as of 30 September 2023.

Reasonable assurance is obtained when the SoQM reduces to an acceptably low level the risk that the objectives of the SoQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a SoQM.

For any identified deficiencies, the Firm designs and implements remedial actions to address identified deficiencies that are responsive to the results of the root cause analysis and remedial progress is monitored.

ENGAGEMENT PERFORMANCE & AUDIT QUALITY

Common methodology

The Firm's policies and procedures are designed to ensure that audits meet all applicable professional standards and regulatory requirements and that the firm issues reports that are appropriate in the circumstances. To achieve this and to ensure consistency in the approach to auditing and related fundamental application of professional scepticism throughout the BDO network, BDO International has developed the common BDO Audit Methodology, related software tools and other standard forms of documentation.

This methodology is fully compliant with International Standards on Auditing (ISAs) and where appropriate these common processes are used by BDO International member firms.

APT Next Gen, BDO International's in-house state of the art audit software, remains the single largest global project of its kind and its evolution continues. With further substantial audit methodology and IT investment, the next generation of APT was developed and deployed in 2019 throughout the network. In 2023, BDO International has implemented a new version of APT NG 4.4.

By designing APT NG to take advantage of recent technological advances, we are able to:

- ▶ safeguard the structural integrity of the tool for the future;
- ▶ provide us with a fully-integrated tool that reflects the latest interpretations of the auditing standards, and
- ▶ enable teams to work efficiently on both large and small engagements.

BDO AUDIT APPROACH

All BDO audit projects are managed in APT NG (Audit Process Tool). The software connected to Caseware Working Papers or internal TB tool for lead schedules and other financial information and uses templates of audit procedures that can be tuned for every client. The APT NG brings significant benefits to our audit practices throughout the network: timely and more efficient multi-location and cross border audits, a more intuitive audit methodology compliant with the clarified International Standards on Auditing (ISAs), teamwork on a real-time basis, consistent worldwide audit performance, scalability, and expected efficiency improvements after the first year.



SUPERVISION AND REVIEW

The Firm requires all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority.

The relevant partner must also ensure that professional work is carried out efficiently and that it meets the firm's standards in all respects. The Firm's review procedures are designed to ensure efficient control of the audit as it progresses. At a granular level these are designed to ensure that:

- ▶ the work is performed in accordance with applicable standards and regulations;
- ▶ significant matters have been raised for further consideration and appropriately addressed;
- ▶ appropriate consultations have taken place;
- ▶ the planned work has where necessary been reviewed and that the objective of all planned work has been achieved;
- ▶ the work performed and evidence obtained supports the conclusions reached; and
- ▶ the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedure undertaken, the results of those procedures and the evidence obtained.

A concurring engagement quality review (EQR) for audits of public interest and other high risk engagements. The concurring partner review is familiar with the auditing and reporting practices used during the engagement and is knowledgeable and familiar with the client's industry.

The reviewer is an experienced professional who is not likely to be influenced by the views of a particular engagement partner. The engagement quality reviewer is not actively involved in making ongoing decisions relating to the engagement and is not involved in performing the engagement.

The tone at the top that supports the commitment to quality through communications, learning and performance management process. Our results from the latest Audit & Assurance Culture of Quality survey showed 96% of survey respondents agreed or strongly agreed that the leaders of at the firm demonstrate a commitment to performing high quality work through their actions.

Team members are further encouraged to provide continuous feedback through the established channels suited to their needs including confidential Speaking-up and Whistleblower hotlines.

COMMITMENT TO AUDIT QUALITY AND CONTINUOUS IMPROVEMENT

Throughout this report, a detailed overview is provided, looking into strengthening the culture of quality within the firm while continuing to set the standard of excellence for the Audit profession. Significant progress shows in our quality journey that is underpinned by our robust System of Quality Management (SoQM), which is subject to rigorous monitoring.

The culture at BDO Malta ensures that a professional and qualitative service is always provided to all clients. The firm continually strives to achieve high quality standards



in the services provided. In achieving this, it is the firm's policy:

- ▶ to ensure quality in all assignments performed;
- ▶ to ensure that commercial considerations never override the quality of performance;
- ▶ to ensure that sufficient resources are devoted to the development and support of the firm's quality control policies and procedures; and
- ▶ to ensure that all audit work is controlled and signed off by the partners.

The firm's quality system management is designed to provide a reasonable level of assurance that the firm, its partners, and staff comply with professional standards as well as regulatory and legal requirements, that work is consistently performed to a high standard, and that reports issued by the firm are appropriate.

A new BDO Global ISQM Platform was launched to facilitate and enhance the design and maintenance of our SoQM and support integrated SoQM monitoring. This Platform allows us to efficiently manage data and enables identification of business processes and responses where enhancements can be made, and allows for reporting of significant changes or findings, if any, in the design or operation of our SoQM.

BDO Global monitoring team performs a continuous review to evaluate whether the firm's SoQM has been appropriately designed and is operating effectively.

Driven by the Firm's International Core Values and by continuously fostering an attitude of continuous improvement the following actions we take to drive quality:

1. Maintaining leadership emphasis on quality

Quality is a standing agenda item during leadership meetings. In addition to quality guidelines, quality-focused actions and behaviour are discussed.

2. Investing in quality

Systemic quality is embedded through sustained investment in people, processes, and technology.

3. Going beyond the rules

Quality is driven as a cultural value: apart from leadership emphasis, there is a focus on message credibility, peer involvement and employee ownership of all types of quality issues.

4. A quality mentality

A mentality of 'we are all in this together': the organisation, our people, our clients, and communities is created across the firm. The goal is a win-win for everyone.

5. Being clear and transparent

Information accessibility is at the heart of what we do. Making sure we are clear in what we do, and how we do it. We all do the right things the right way.

6. Continued improvement

Measures of quality are monitored and processes for continuous improvement are operational.

RECOGNITION OF QUALITY

Personnel are constantly reminded of relevant ethical requirements and the importance of exchanging information within their engagement teams and within the firm on any matters that impact quality.

The importance of quality is communicated through all levels, in all aspects of the firm.

In 2023, the firm introduced the annual quality achievement award. On "Auditor Proud Day," partners were assigned the responsibility of soliciting nominations from staff members for an individual who has demonstrated and embodied the company's values and dedication to quality.

The recipient of this Audit Quality Award is revealed at an annual ceremony, followed by department-wide celebration.

RECENT INSPECTION RESULTS

Inspection results impact quality outcome in Quality Management. We value the feedback received through the inspection process and utilize it to continually improve the quality of our audits.

The most recent BDO Global inspection report is covering audits signed in 2023, which includes the review of a PIE credit institution engagement. This report and the internal inspections' reports related to the review of audit engagements signed in 2023 were concluded with positive result.

CONSULTATION REQUIREMENT

The firm encourages consultation with experienced partners and other specialists where appropriate. The firm has a process in place for audit partners and teams to follow when consulting and seeking the firm's opinion, support on a client issue, judgement or risk.

PUBLIC INTEREST ENTITIES AUDITED BY THE FIRM

During 2023, the firm carried out a statutory audit of Novum Bank Limited. The firm also audits a number of companies that may be considered of significance in view of their size, operations or ownership, but not public interest entities in terms of regulatory requirements.

AUDIT FIRM'S INDEPENDENCE

The firm has in place policies aimed at ensuring that it is compliant with acceptable independent standards and good practice. These policies cover the firm, the partners and administrative staff. It is the firm's policy to encourage and support the continued professional education of all professional staff, including staff members engaged in auditing.

It is through continued professional education that the firm can ensure that high standards are maintained in the quality of work produced.

These policies and procedures adopted by the firm meet, and in many instances exceed, those that are promulgated by the Accountancy Board and the Malta Institute of Accountants.

These include:

- ▶ an annual declaration undertaken by all partners and staff;
- ▶ audit file quality control reviews examining a selection of audit files covering all Responsible Individuals on an annual basis; and other monitoring activities targeting specific aspects of audit independence.

All these monitoring and review activities were operational during the past financial year.



The Firm has designated Ethics and Independence Leaders, who monitors compliance with the applicable independence policies and procedures, provides consultations regarding independence matters, and oversees independence training.

The Firm also maintain a database of all serviced restricted entities on the Entity Management System (EMS), including listed companies and other public interest entities.

The EMS is available on our intranet and its objective is to prevent the performance of prohibited non-assurance services or investment in these entities. The database is continuously updated, and monthly confirmations are provided to global offices, ensuring transparent and accurate representation of the client database.

Prior to the acceptance of new clients or re-acceptance of existing clients, the firm's engagements teams perform procedures to identify potential conflicts and threats that may arise that would compromise independence. These procedures include sending and processing conflict of interest checks, on the Member Firm Square Portal, facilitating international conflict of interest and independence checks throughout the BDO network.

IT ASSURANCE

Our IT infrastructure is regarded to be the backbone of the firm's business. The firm has collaborated with the best IT suppliers for the latest hardware technology and has gone to great lengths to be able to provide the best possible software solutions to our clients with speedy and secure systems.

Our resources are also available on various platforms and accessible from anywhere and at any point in time. Our teams are also equipped with high-end mobile solutions with secured access to the company's document management structures, sensitive client data and other facilities as expected from modern mobile offices.

CONTINUED PROFESSIONAL EDUCATION

The firm has a policy of facilitating and encouraging continued education as an important means of developing knowledge and maintaining and improving the quality of its services and of motivating and retaining its personnel. The continuing education program is comprised of training sessions organised by the firm specifically designed to meet its needs, by the BDO International network as well as external training by relevant professional bodies. Certain courses are mandatory, and others are optional.

The CPE requirements for professional auditors and accountants in Malta are also factored into the programme. It is the policy within BDO Malta to support and finance the CPE activities undertaken by staff members, both locally and internationally through the network.

BDO Malta has made substantial investments in talent and learning strategies as all team members are required to complete at least 10 hours of continuing professional education (CPE) each year through internal or external courses or e-learning. Furthermore, on an annual basis warrant holders must obtain a minimum of 25 hours of structured CPE, 10 of which must be related to core competences, as well as 15 hours of unstructured CPE.

Hands-on training is given to all new recruits on the BDO audit methodologies, tools and processes. A high-level of training was given to all staff with the introduction of the new BDO Audit Process Tool. More experienced personnel and partners are encouraged to constantly update and deepen their technical knowledge.

Developing management and interpersonal skills are also very important for this group. Continued professional education is also a factor taken into account for the yearly evaluation of audit staff and the assessment of their career potential within the firm.





Our learning curriculum contains leadership development program for executive leaders and mid-level managers with leadership practices to successfully deliver strategic projects and lead teams.

An executive leadership development course was provided for our executives that grow the mindsets, skillsets, and capabilities needed among top leaders to spearhead the firm's strategy and drive the firm's culture.

A middle management development course was also delivered to help mid-level leaders at the firm build the skills needed not only to succeed, but to thrive.

We are committed to developing and maintaining the highest possible standards of technical competence through our own development programmes.

FIRM'S ROTATION POLICY

The firm's policies with respect to rotation of key audit partners and staff (i.e., those other than the engagement partner and Engagement Quality Reviewer, who are specifically covered by statute/regulation) is principles based, depending on the facts and circumstances of the engagement.

Typically, such 'key audit partners and staff' include audit partners and senior managers/ managers performing a significant portion of the work, as well as specialist partners and senior managers/ managers (e.g., tax, valuation).

As regard to the key audit partners responsible for carrying out a statutory audit of a public interest entity, these cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment; they will not participate again in the statutory audit of that public interest entity before three years have elapsed following that cessation.

BDO Malta 2023 Audit Quality Highlights

Approach to Audit Quality

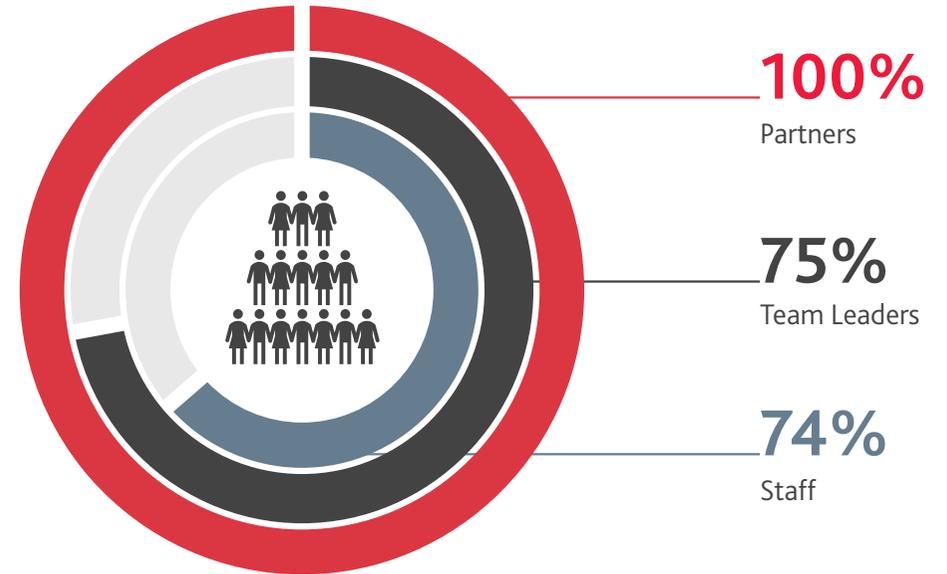
The latest Audit & Assurance Culture of Quality survey showed the 96% of survey respondents agreed or strongly agreed that:

- ▶ the leaders of at the firm demonstrate a commitment to performing high quality work through their actions,
- ▶ understand what is expected of them with respect to quality on an engagement,
- ▶ believe they are personally responsible for the delivery of quality on an engagement,
- ▶ feel secure in their job,

and the 92% of survey respondents agreed or strongly agreed that:

- ▶ they are empowered to use their own professional judgment to make decisions about the conduct of an engagement,
- ▶ they have sufficient intellectual resources to perform their work to a high standard,
- ▶ satisfied with the work environment at the firm,
- ▶ we approach changes with a "can-do" attitude.

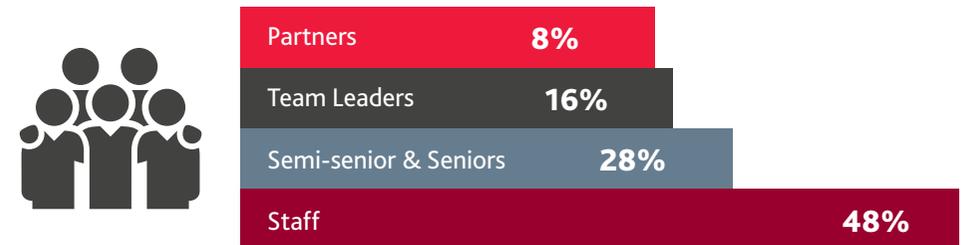
Average retention rates



Client-facing staffing leverage ratios



Audit team members by level



Gender split ratio

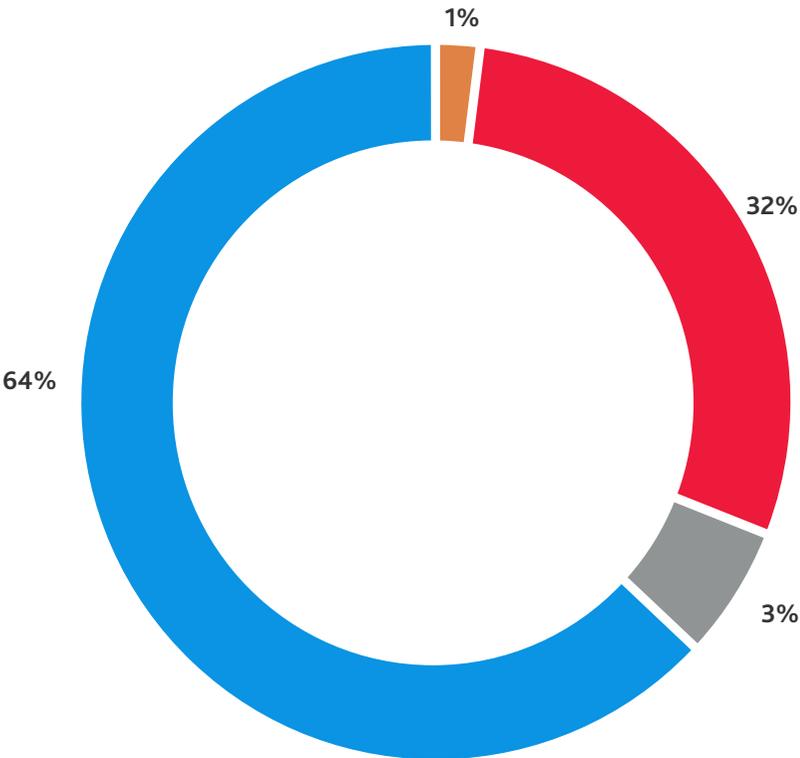




**FINANCIAL
INFORMATION**

Financial Information

The financial statements of the entities operating under the BDO brand in Malta for the year ended 31 December 2023 are still in the process of being audited. The turnover figures presented below are preliminary and may be subject to change.



- Fees from other non-audit services to other entities
- Fees from statutory audits of PIEs & entities whose parent is a PIE
- Fees from permitted non-audit services to entities audited by the firm
- Fees from statutory audits of other entities

BDO MALTA & BDO ENTITIES IN MALTA	
Revenues 2023	'000 €
Fees from statutory audits of PIEs & entities whose parent is a PIE	78
Fees from statutory audits of other entities	3,318
Fees from permitted non-audit services to entities audited by the firm	292
Fees from other non-audit services to other entities	6,775
TOTAL	10,463



John J. Attard
COMPLIANCE PARTNER

Partners & Directors



JOHN J. ATTARD
SENIOR MANAGING PARTNER

John has over 45 years' experience working in the Audit and Accounting sector and in that time he has built up a deep knowledge and understanding of the issues and challenges faced by the market. His role is to identify opportunities and contribute to the growth and the development of the firm and is also responsible for delivering high quality services while adhering to compliance standards and ensuring that the firm delivers an excellent service to its clients.



MARK ATTARD
CEO & PARTNER

Mark Attard is the CEO and International Liaison Partner at BDO Malta and is responsible for the development of business strategies and plans which are in line with short term and long term objectives of the firm. He oversees all operations and business activities to ensure they produce the desired results which are consistent with the overall strategy. Mark is responsible for making high-quality investment decisions which are in line with the firm's growth strategy.

Mark has led a number of client projects across different industries helping clients to start-up or relocate their business to Malta. He also leads the iGaming advisory and licensing service line.

Mark is a Certified Public Accountant and Auditor with more than 20 years post-qualification experience in finance, company restructuring and turn-around, business development and advisory. He has worked on major assignments with public entities, Groups of Companies and multi-nationals.

PARTNERS & DIRECTORS



JOSEF MERCIECA
TAX PARTNER

Josef Mercieca heads the tax team as Tax Partner for the Firm. Josef holds a first degree in Accounting and is a member of the Malta Institute of Accountants (MIA) and the Malta Institute of Management (MIM) and has delivered several presentations and training courses on topics relating to VAT, tax and corporate restructuring, both in Malta and abroad.

Josef was one of the contributing authors in "Principles of VAT Law" the first ever publication on VAT in Malta and regularly authors articles on taxation. He is also a frequent speaker at conferences dealing with blockchain and taxation of crypto currency transactions and has authored various articles on the subject matter.



SAM SPIRIDONOV
AUDIT PARTNER

Sam Spiridonov has developed more than 20 years of professional experience in accounting, audit and finance. His professional experience includes financial statements transformation, combination and consolidation of financial statements.

Sam has qualifications in audits of financial entities, including banks, funds, insurance, and gaming companies. As Audit partner, he is also responsible for the internal quality control of the audit process in BDO Malta, reporting to the Managing Partner. Within BDO network, Sam represents BDO Malta as IFRS Champion and Regulatory partner.

PARTNERS & DIRECTORS



ANDREW ZARB COUSIN
AUDIT PARTNER

Andrew joined BDO in 2017, following several years at one of the local big 4 audit firms. Prior to this Andrew read for Bachelor of Commerce and Bachelor of Accountancy (Hons.) degrees at the University of Malta.

Responsible for the provision of audit services within the firm and services a varied profile of local and international clients operating in several industries, in particular financial services.

Andrew is a certified public accountant and auditor, and is a member of the Malta Institute of Accountants and the Malta Institute of Taxation.



LUKE ATTARD
DIRECTOR

Luke is a Director at BDO Consult Limited and forms part of the Business Development Department.

He is the first point of contact with all clients seeking relocation services to Malta and assists such clients with most of the services offered by BDO Malta, mainly Corporate, iGaming, Trust and Fiduciary, Yacht and Shipping Registration and Financial Services.

Together with the other directors, Luke is also responsible for promoting the well-being of the firm through the successful leadership and management of the company according to the strategic direction set by the Board of Directors.

PARTNERS & DIRECTORS



IVAN SPITERI
DIRECTOR OF TECHNOLOGY ADVISORY & ASSURANCE

Ivan heads BDO Malta's technology advisory and assurance services. Ivan has more than 26 years of experience in the field of technology, with expertise in a variety of areas including project management, privacy and data protection (GDPR) advisory and assessments, DPO outsourcing services, third-party assurance (SOC\ISAE Audits), DORA implementation and compliance, internal and external IT audits, internal control design and evaluation, IT governance, IT risk assessments, ISO27001, cyber security, business intelligence, digital transdata analytics, information risk management and strategy, database design, and business continuity management & disaster recovery.



COLIN CALLEJJA
DIRECTOR OF RISK

Colin holds the position of Director of Risk at BDO and currently heads the risk advisory service line within the firm. He is a risk professional and holds a certification to practice risk management. Colin is passionate about applying enterprise risk management across all areas and enabling organizations to understand and take the opportunities that exist in positioning themselves within their respective markets.

Colin acts as the Whistleblower Reporting Officer of the firm. Colin's expertise includes enterprise risk management, corporate governance, whistleblower protection and business continuity management.



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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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