



Baker Tilly Malta
Transparency Report 2023

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Introduction





Introduction

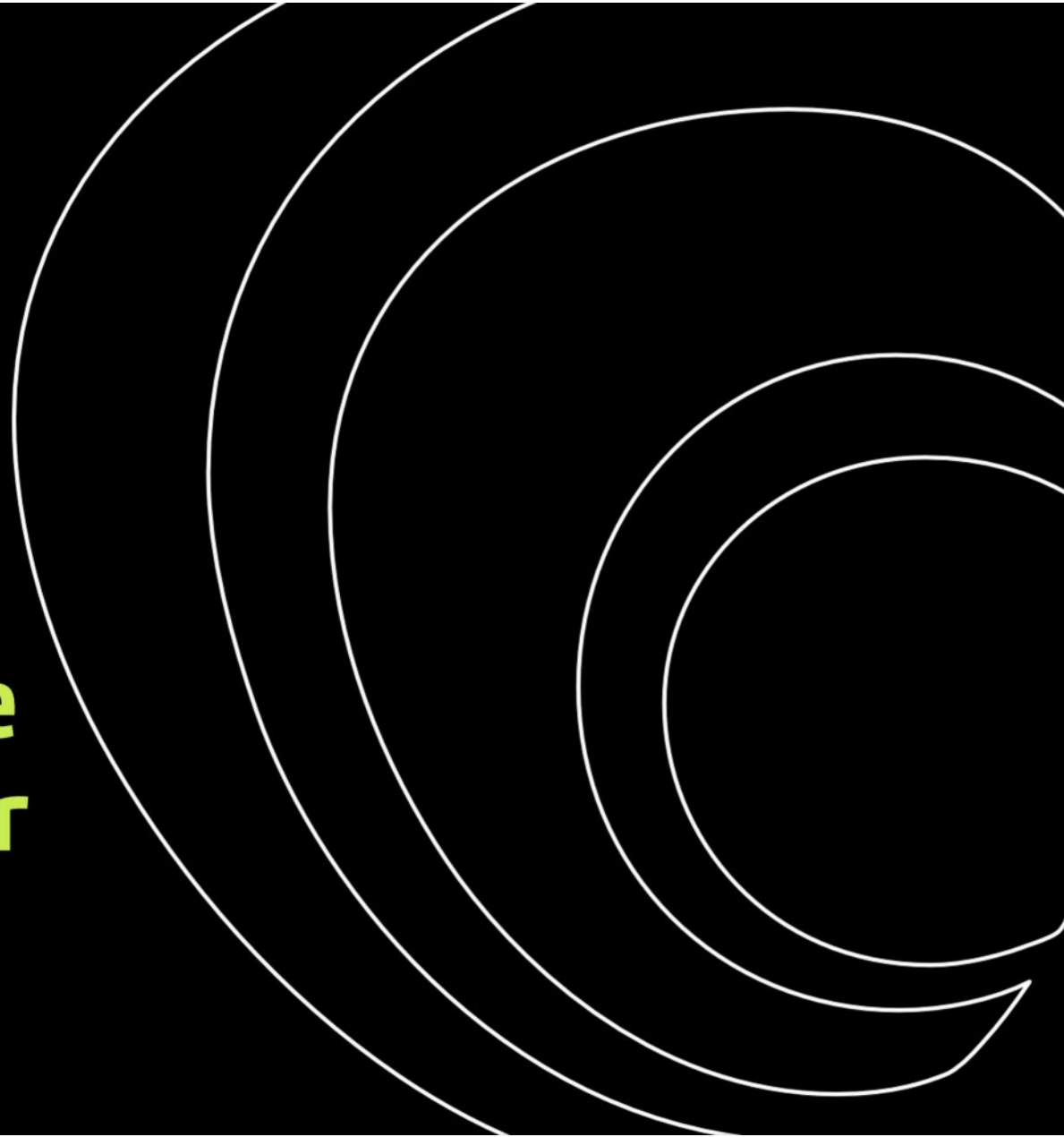
Welcome to the Baker Tilly Malta Transparency Report for 2023.

During the year, our firm continued to offer a full range of audit, accounting, tax and advisory services to local and international corporate and private clients.

Baker Tilly Malta is an independent member of Baker Tilly International, currently ranking as the 10th largest accounting network worldwide.

As part of the culture of Baker Tilly International, we are driven by an authentic, collaborative ambition to grow the best future. At Baker Tilly we speak out on tomorrow's issues, today. We are connected by purpose and create change for good. The projects from around the network demonstrate the impact we make in our communities and goes to the very heart of being Baker Tilly.

Message from the Managing Partner



Message from the Managing Partner



The year 2023 was a testament to the enduring spirit of resilience and adaptability. Amidst uncertainties and complexities in the global economic landscape characterised by geopolitical tensions and the lingering effects of the pandemic, our ability to pivot in response to changing circumstances and stay connected has been crucial in navigating economic challenges.

In a dynamic and evolving business landscape, our foremost objectives remain unchanged as we remain focused on delivering quality services that provide value to our clientele. Our team's expertise and diligence together with our strategic investments in technological innovation and digital collaboration resources have enabled us to navigate challenges and seize opportunities for improvement.

I am delighted to announce that Baker Tilly Malta has had another successful year, marked by the expansion of our client base and consistent growth.

Moving forward, our attention remains focused on identifying opportunities for further growth and navigating these dynamic times with determination and positivity.

This Transparency Report is being published in accordance with the requirements for audit companies performing audits of financial statements of public interest entities.

This Transparency Report contains details and information regarding the policies and procedures in place within our firm, our audit methodology, the Public Listed Entities for which we carried out statutory audits, the independence practices which we follow, as well as the continuing training policies and programmes for our staff, which together enable and ensure the effective functioning of the internal quality control system of the firm.

Finally, the financial information relating to the firm and the partners is also included within the Transparency Report.

A handwritten signature in blue ink, appearing to read 'Donald Sant', is positioned above the printed name and title.

Donald Sant
Managing Partner
Baker Tilly Malta

About Baker Tilly Malta



About Baker Tilly Malta

Baker Tilly Malta is a full-service accounting and advisory firm that offers industry specialised services in assurance, tax and advisory.

With a focus on serving local and international corporate clients, entrepreneurs, family-owned businesses, not-for-profits and public sector organizations, we help our clients plan for the future.

Every day, professionals within Baker Tilly Malta share their expertise to accelerate growth.

The firm was established in 1994 and has traded under various names over the years. In 1996, the firm became the Malta independent member of Baker Tilly International. Effective from December 2018 the firm changed its name to Baker Tilly Malta and started trading under the Baker Tilly name.

Legal Structure

Baker Tilly Malta is a civil partnership registered with the Malta Accountancy Board, bearing Registration No. AB/26/84/28.

Other than Baker Tilly Malta, the following entities are considered to be related to the firm:

- Baker Tilly Malta Limited
- Baker Tilly Consulting Malta Ltd.
- Baker Tilly GRM Ltd.

All the above companies are dormant.



Registered Address

The firm's registered address is at:

Level 5, Rosa Marina Building
216, Marina Seafront
Pieta' PTA 9041
Malta.



Ownership Structure

The partners of the firm during 2023 were:

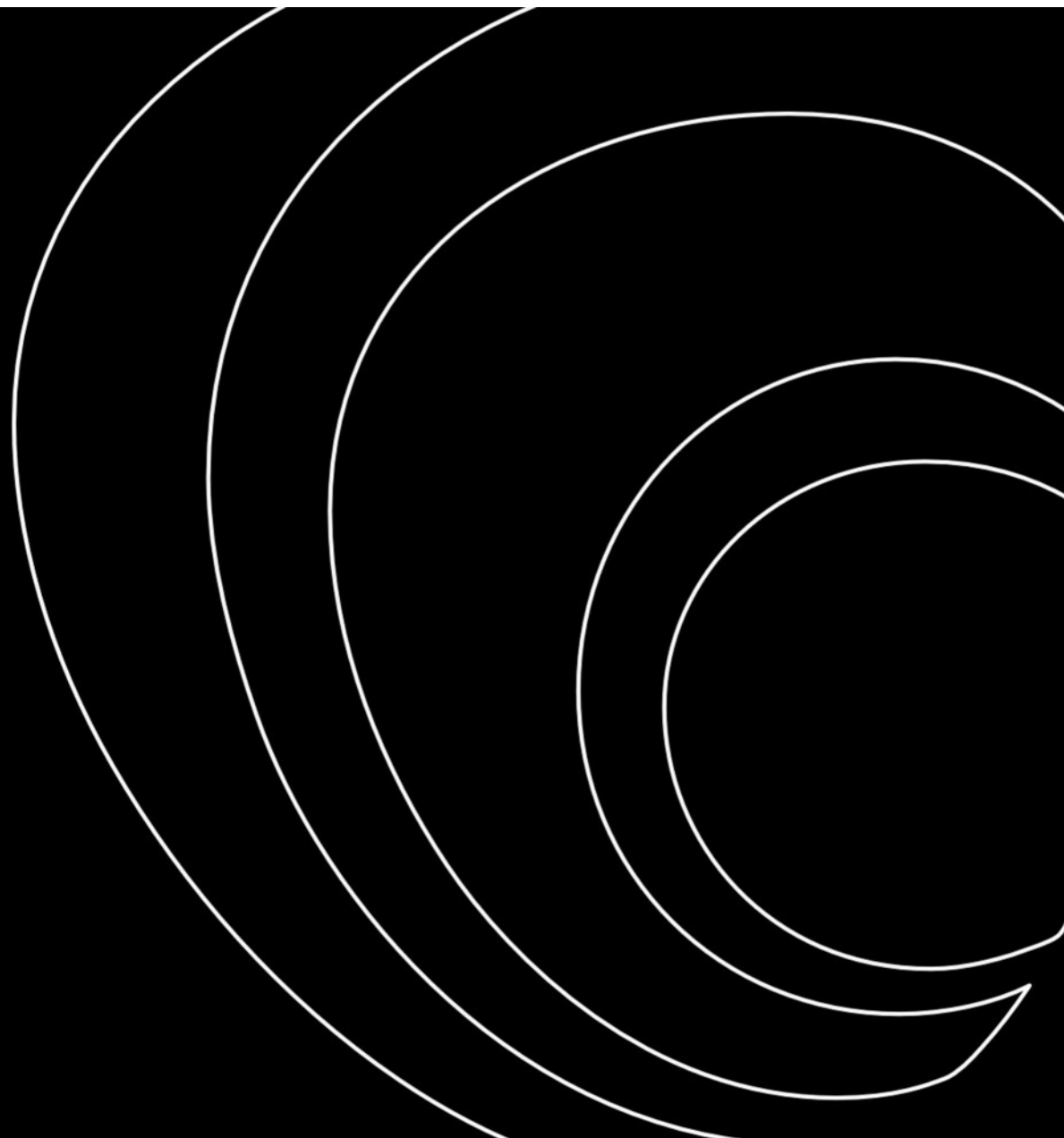
- Donald Sant – Managing
- Adrian J. Miller



Governance Structure

Baker Tilly Malta is steered by the managing partner, who is responsible for the general strategy and continuous maintenance of core competences within the firm, whilst other day-to-day management functions are carried out by the responsible partners, principal and managers.

**About
Baker Tilly
International**



About Baker Tilly International

Description and Legal Structure

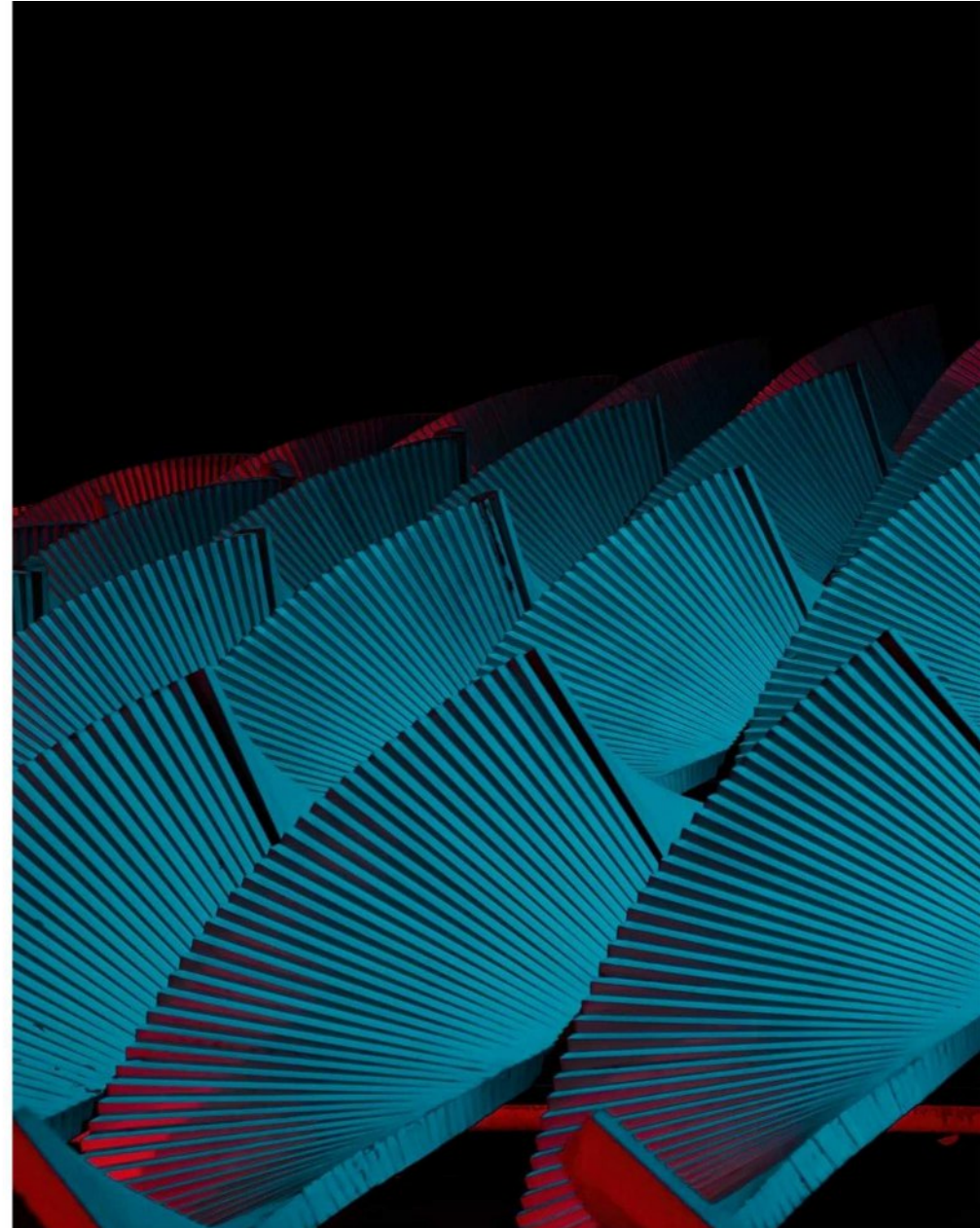
Baker Tilly International is one of the world's leading networks of independently owned and managed accountancy and business advisory firms united by a commitment to provide exceptional client service.

Baker Tilly Malta is an independent member of Baker Tilly International Limited, which is a company limited by guarantee registered in England and Wales. It is owned by its members, all of which hold an equal interest in the legal entity. The members, in the Annual General Meeting, are responsible for appointing the board of directors, approving the company's strategy and other matters such as making changes to the company's constitution.

Baker Tilly International does not itself provide professional services, advice or opinions to clients but acts as a member services organisation operating from its Global Office in London. Client services are delivered regionally and nationally by a network of over 140 independent members worldwide.

Each member is a separate and independent legal entity. Each member is locally owned, operated and managed and is responsible for its own actions. No single member is responsible for the services or actions of another.

Although many members operate under the Baker Tilly name, there is no common ownership amongst the members.





Management and Governance

Baker Tilly International operates with a board of directors consisting of the Chief Executive Officer (CEO), and directors drawn from independent members around the world. The board of directors appoints the CEO. It also formulates the strategy for Baker Tilly International and approves the policies and procedures to govern and manage the network. On the recommendation of the CEO and regional advisory councils, the board is responsible for admitting new members and, on occasion, terminating membership.

The network operates geographically through four regions - North America; Latin America; Europe, Middle East and Africa; and Asia Pacific. Each region has a chairperson who chairs an advisory council made up of partners from members in that region. The chairperson's role includes the co-ordination and development of business between members, the recruitment of new members as necessary and the implementation of the regional strategy.

At a management level, the network is coordinated by the CEO. The CEO is responsible to the board and ultimately to the members for all matters relating to the management and leadership of the network.

The CEO is supported by a team at Global Office which supports members worldwide. Support includes international marketing and business development initiatives, technical development of the global audit tool and the co-ordination of a global secondment programme.

Quality Assurance

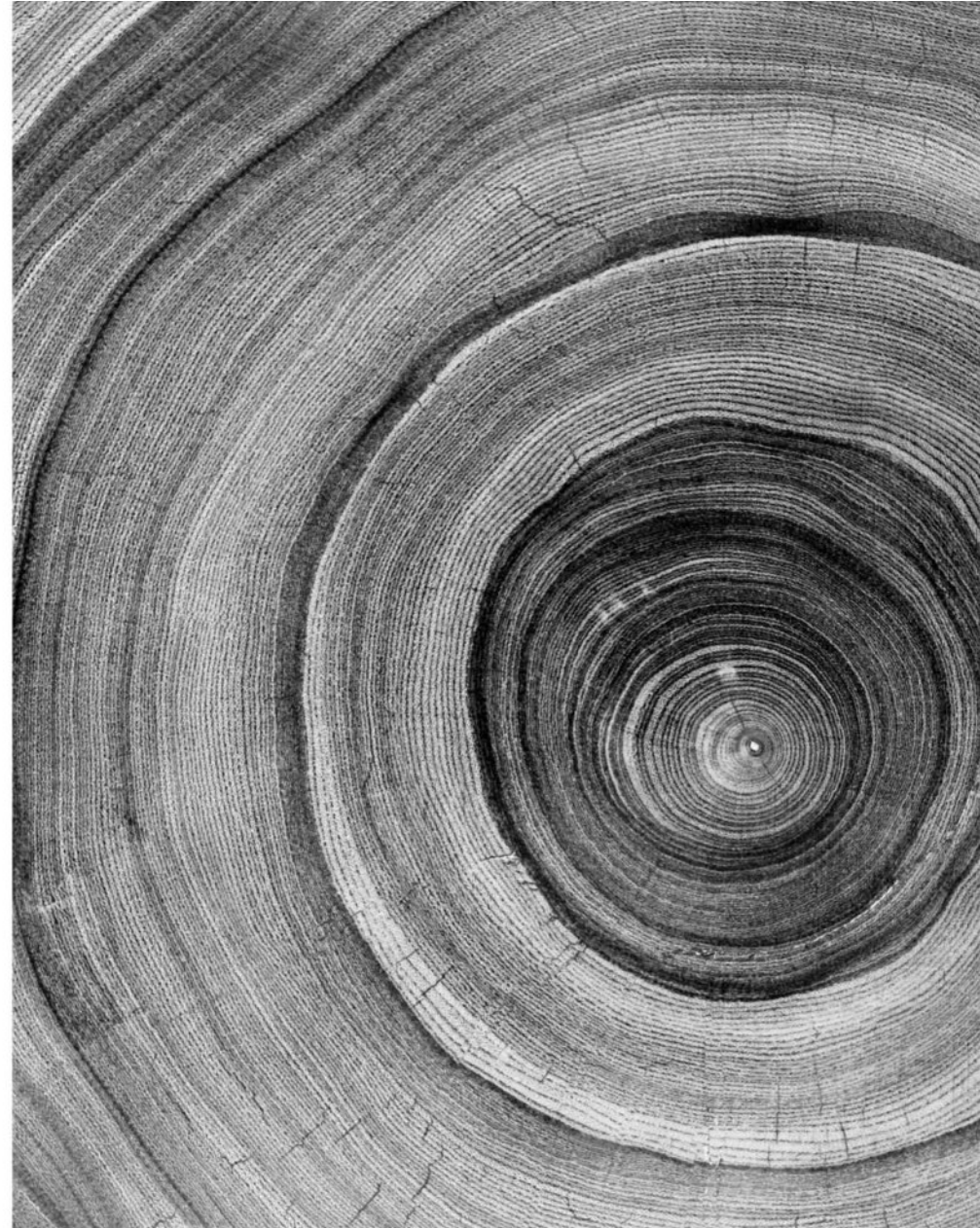
Baker Tilly International's members are expected to conduct all aspects of their business to the highest professional standards, to maintain integrity and to keep in good standing in their local business community.

They are required to comply with all national standards applicable to all aspects of their work. These include auditing, independence and any other standards issued in a member's country which impact on their work. They are also expected to comply with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and to carry out audits to standards that are at least compliant with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB).

Members are also required to comply with IAASB's ISQM 1 International Standard on Quality Management.

Regular quality assurance reviews of all members are carried out by Baker Tilly International, with members typically subject to a review at least once every three years.

The Quality Assurance Unit within the Malta Accountancy Board also carry out periodic reviews with the scope of reviewing the quality control system of the firm together with the compliance testing of procedures and files to assess its adequate functioning. The last full review carried out by the Quality Assurance Unit was held during 2023.





Independence

Although Baker Tilly International is a network, it is for each member to determine its position under the ethical codes which govern its work. Each member identifies those other members of the Baker Tilly International network that must be considered in respect of independence.

Each member complies with their local code of ethics. Where no local code exists or where the local code is significantly less comprehensive than the International Code of Ethics for Professional Accountants (Code) members are expected to comply with the Code.

All members are required to include in their audit process a procedure that requires consideration of whether there are threats to independence resulting from work done for the client and any of its related companies by themselves or any other members of Baker Tilly International. This includes discussion with the client of circumstances where any such threats may arise.

Baker Tilly International provides conflict check messaging system and an Independence Database to assist members in complying with this requirement. The Independence Database includes details of all clients which are members of a listed group for which any member provides any service to any company within the listed group. Details are recorded for all instances where members provide audit services to listed entities. This information is then used to create the Restricted Entity List which shows all the listed audit clients for whom members act as auditors. Member firms should not hold a financial interest (for example, an investment) in any entity on the Restricted Entity List and should not provide non-audit services to those entities without first consulting the audit team.

Audit Firm and Audit Fee Information in respect of EU Members

As at 31 December 2023, the following independent member firms of the Baker Tilly International network provided statutory audit services in the EU:

- Austria - Pro Audit Wirtschaftsprüfung und Steuerberatung GmbH (see Appendix 1)
- Belgium - Baker Tilly Belgium
- Bulgaria - TPA Audit OOD; Baker Tilly Klitou and Partners OOD (see Appendix 1)
- Croatia - TPA Audit d.o.o. (see Appendix 1)
- Cyprus - Baker Tilly Klitou & Partners Limited (see Appendix 1)
- Czech Republic - TPA Audit, s.r.o. (see Appendix 1)
- Denmark - Baker Tilly Denmark
- Estonia - Baker Tilly Baltics OÜ
- Finland - Baker Tilly Finland Oy
- France - Strego Audit
- Germany - Baker Tilly Holding GmbH
- Greece - Baker Tilly Greece Auditors S.A.(see Appendix 1)
- Hungary - TPA Control Könyvvizsgáló Kft. (see Appendix 1)
- Italy - Baker Tilly Revisa SpA
- Latvia - Baker Tilly Baltics SA
- Lithuania - UAB Scandinavian Accounting and Consulting
- Luxembourg - Baker Tilly Audit & Assurance s.à r.l.
- Malta - Baker Tilly Malta
- Netherlands - Baker Tilly (Netherlands)
- Poland - Baker Tilly TPA Sp. z o.o. (see Appendix 1)
- Portugal - Baker Tilly PG & Associados, SROC, LDA
- Romania - TPA Audit Advisory S.R.L.; Baker Tilly Klitou and Partners SRL (see Appendix 1)
- Slovakia - TPA Audit s.r.o. (see Appendix 1)
- Spain - Baker Tilly Iberia (see Appendix 1)
- Sweden - Baker Tilly Sweden (see Appendix 1)

Total Statutory Audit Fees for EU Members which provide Statutory Audit Services

The total statutory audit fees for EU members for the period is approximately €224 million.



Global Audit Methodology





Global Audit Methodology

Our global audit methodology provides a consistent, high-quality approach. The audit methodology, Global Focus, is our 'audit language' which ensures a common understanding of the audit approach and procedures. Global Focus is underpinned by advanced technology which uses intelligent software and risk registers to highlight the areas of greatest risk and provides efficient documentation tools for an electronic approach to statutory audit.

Working Across Borders

Global Focus provides a shared:

- Audit engagement approach for our network by establishing expectations for audit quality
- Understanding of the audit procedures performed

This allows for:

- Consistent and high-quality audit, tailored to the profile of each engagement
- Integrated quality assurance procedures, compliant with the International Standards of Auditing
- Efficiency and a streamlined process, saving time, helping meet deadlines and allowing us to focus on providing our clients with insights into their business
- The built-in group audit approach results in a controlled and robust process
- The risk-based approach means that we can highlight inefficiencies in our client's processes and make recommendations for improvement
- Helps assure global consistency and quality with comprehensive standardised training and the capacity for central quality assurance review.

Four Steps to Confidence and Compliance

We apply a four-step process which helps us understand the business and deliver the best results quickly.

1. Planning

Our experts undertake activities to understand the business, including operation and internal control environment of our clients. This allows us to develop an audit plan that fits the clients' profile and results in an audit strategy that is tailored to them.

2. Risk Assessment

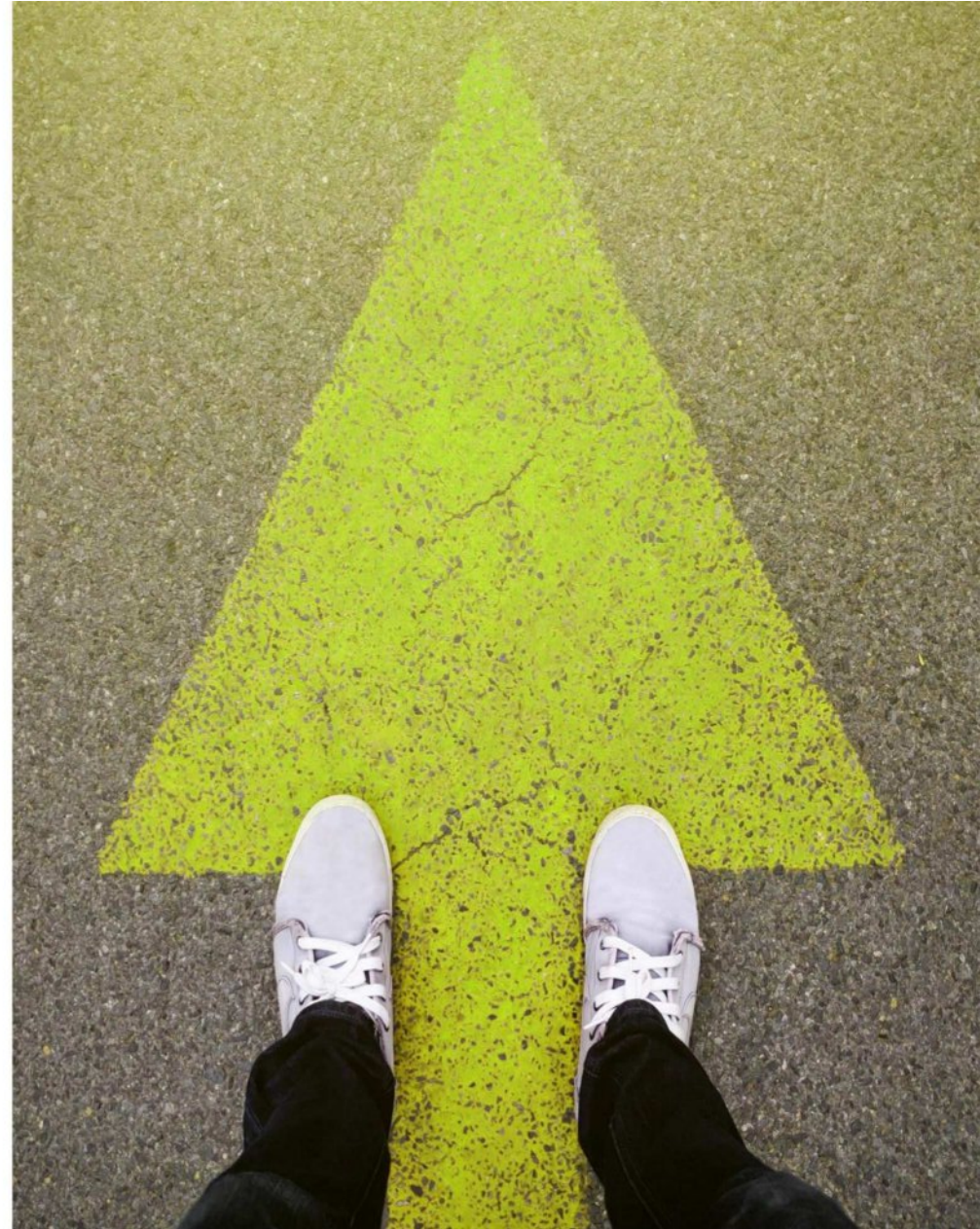
We assess clients' financial reporting risks and identify business-critical issues. We review and test internal controls to enhance our audit procedure and where necessary make recommendations for improvement.

3. Risk Response

We design our audit procedures to respond to the assessed audit risks identified.

4. Completing and Reporting

We use a range of checks to ensure accuracy to develop the results into insights that are action based and realistic, allowing you to enhance your operations.





Technology

Intelligent software:

Using a recognised audit software platform, Global Focus introduces efficient documentation tools. The software assists the auditor to align the documentation of thought processes and risk assessments throughout the audit to automate compliance with audit requirements.

Risk registers:

The software enables us to compile risk registers tailored to your business, together with mitigating controls and reportable items.

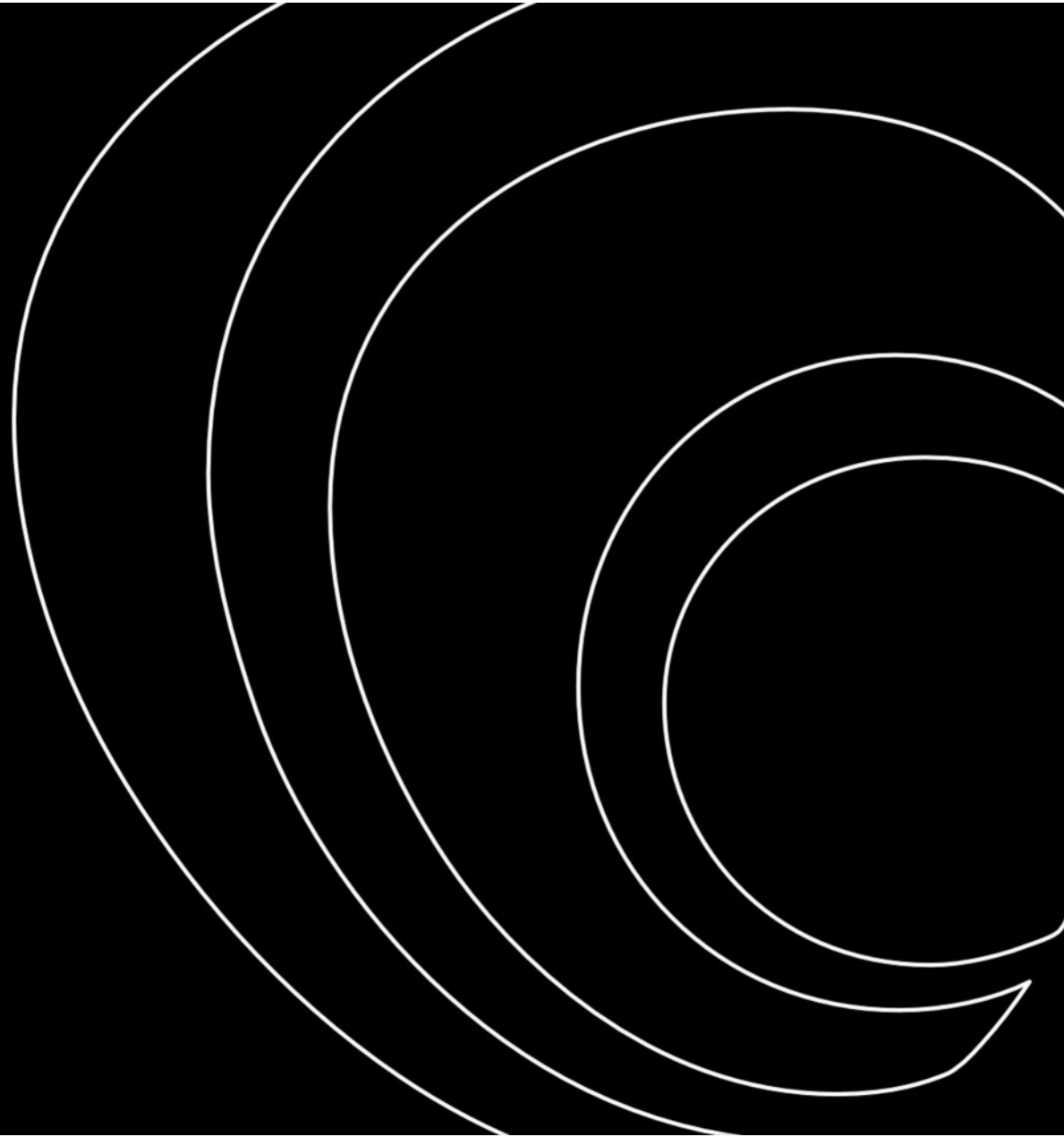
Remote access to audit files in real time:

Software tools enable audit team members to work on one live version of the audit file, allowing teams to work on the audit wherever they are in the world and have access to the same information.

Easily understood visual presentation:

Visual diagrams can be generated from the audit planning documentation to show material financial statement areas, the associated risks and the mitigating controls or control deficiencies.

**Client
Engagement,
Acceptance and
Continuance**





Client Engagement, Acceptance and Continuance

Baker Tilly International allows each member firm to implement their own internal client engagement, acceptance and continuance policies and procedures within a global framework of principles set by the network.

Baker Tilly Malta's client engagement, acceptance and continuance policies set out the policies and procedures which will determine our decision of whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These comprehensive policies and processes comply with the applicable Anti-Money Laundering Laws, International Standards on Auditing and the IFAC Code of Ethics for Professional Accountants as issued by IESBA.

The client engagement procedures are completed prior to agreeing the terms of an engagement and, prior to performing any other significant activities that would have been performed if the client or engagement was formally accepted or continued.

The firm utilises specialised KYC software to assist it with its client engagement, acceptance and continuance policies, which software is based on a risk-based approach which reflects Baker Tilly's risk appetite. Embedded risk graded questionnaires set the prospective or existing client's risk profile and indicates the overall risk grade. The overall risk grade will determine the acceptance or decline of a client or engagement.

The objectives of the firm's engagement, acceptance and continuance policies are the following:

- Anti-Money Laundering procedures have been sufficiently and effectively followed as per the firm's AML manual
- Ensure that Baker Tilly's independence is safeguarded
- Ensure that any conflicts of interest have been identified and dealt with
- Baker Tilly has the professional competence to proceed with the client and relevant engagement
- Decline any clients with overall risk higher than the Baker Tilly's risk appetite
- Ensure no limitation on scope prior to audit engagement acceptance exists

Independence Database

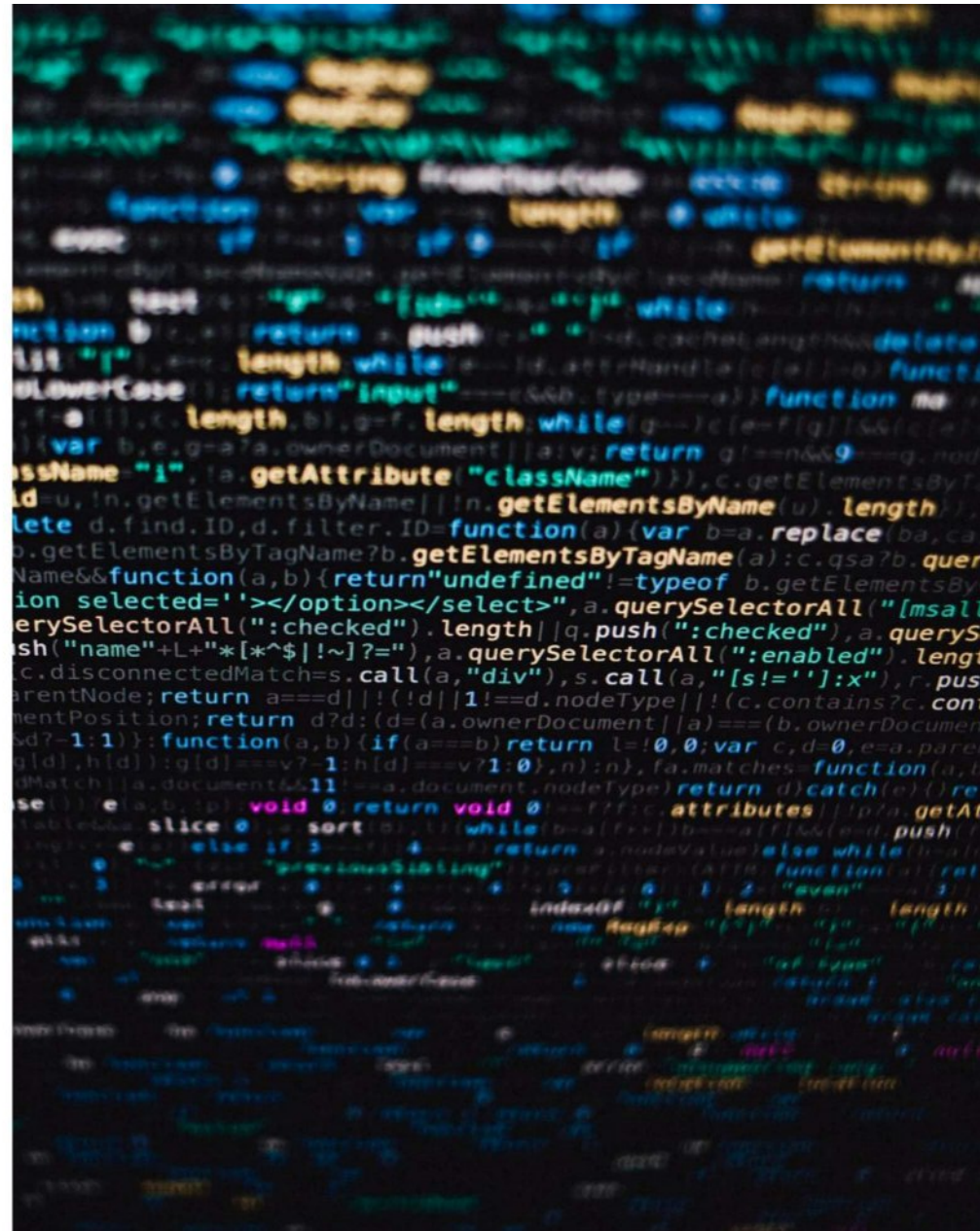
Baker Tilly International provides an Independence Database to assist members in confirming independence. All members are required to maintain information on the Independence Database.

The Independence Database is designed to:

- allow members to check for possible conflicts as part of their internal client acceptance procedures
- permit Baker Tilly International to identify all listed audit clients to be included on the Restricted Entity List

The Independence Database includes details of all clients which are members of a listed group for which any member provides any service to any company within the listed group.

Details are recorded for all instances where members provide audit services to listed entities. This information is then used to create the Restricted Entity List which shows all the listed audit clients for whom members act as auditors. Member firms should not hold a financial interest (for example, an investment) in any entity on the Restricted Entity List.





Public Interest Entities Audited during Latest Financial Year

The Accountancy Profession Act, Cap 281 defines public interest entities as those:

- a) whose transferable securities are admitted to trading on a regulated market of any EU member state.
- b) credit institutions.
- c) insurance undertakings; and
- d) any other entities as may be prescribed by the Accountancy Board.

During the preceding financial year, Baker Tilly Malta issued three statutory audit reports for entities that fall within the definition of Public Interest Entities. These were in respect of:

- Borgo Lifestyle Finance Plc (C 88245) – for the year ended 31 December 2022, audit report dated 27 April 2023;
- Pharmacare Finance Plc (C 86057) – for the year ended 31 December 2022, audit report dated 27 April 2023;
- Mercury Projects Finance Plc (C 89117) – for the year ended 31 December 2022, audit report dated 27 April 2023;

The Accountancy Board may, from time-to-time, designate other entities as Public Interest Entities.

Confirmation of Independence





Confirmation of Independence

Our quality assurance system requires that each partner, senior or staff maintains objectivity and independence on each assignment engaged. We have procedures in place to ensure that each personnel before the assignment formally commences discloses any matter that could compromise independence, whether it is personal, financial or other interest.

The firm expects all partners and staff to maintain current knowledge of the provisions contained within the Code of Ethics for warrant holders. This requires all partners and staff to assume personal responsibility for the periodic review of the Code of Ethics contents.

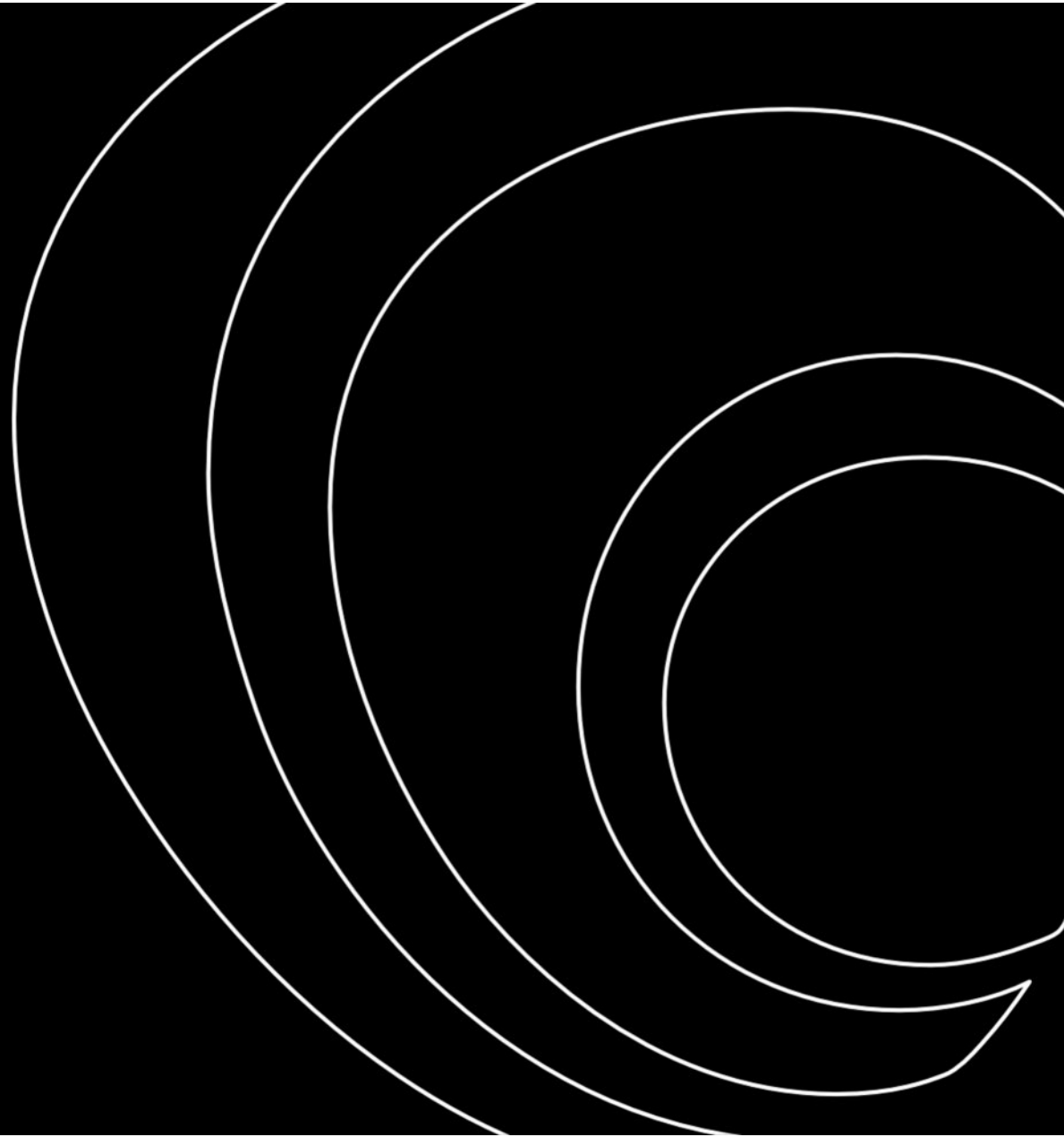
All partners and staff are required to be aware of and understand the Code of Ethics and any additional local requirements. The firm's independence policy requires all members of the assurance team to meet these provisions for all assurance engagements and reports issued. Accordingly, partners and staff are required to provide the firm annual written confirmation that they understand and have complied with the Code of Ethics and the firm's independence policies. Furthermore, all partners and staff are required to review their specific circumstances for any independence threats, and to promptly inform the engagement partner of any such threats identified. An internal review of independence compliance is conducted annually.

Each engagement partner shall provide the firm with relevant information about their client engagements, including the scope of services, to enable the firm to evaluate the overall impact, if any, on independence requirements. In order to facilitate this:

- Each partner or staff member assigned to an assurance engagement shall confirm to the engagement partner that he or she is independent of the client and engagement or notify the engagement partner of any threats to independence so that appropriate safeguards can be applied.
- Partners and staff must notify the engagement partner if, to their knowledge, any member of the assurance team has, during the disclosure period, provided any service that would be prohibited under the Code of Ethics or other local requirement, which could result in the firm being unable to complete an assurance engagement.

The partners and staff must follow the Code of Ethics and any additional local requirements, regarding mandatory rotation of engagement partners, the QCR, and any other partners on the engagement team who make key decisions or judgments on significant matters with respect to all audit engagements for public interest entities.

Our Staff



Our Staff

At Baker Tilly Malta, our staff are the firm's key driver. We seek to attract talented individuals and empower them with the best available tools to enhance their personal and professional capabilities with a view to delivering a quality service to our clients.

The firm offers its staff an excellent work-life balance, which in turn leads to an excellent working environment and ultimately transcends to the services we offer to our clients.

Baker Tilly Malta understands that in the ever-changing business environment, one cannot remain still. In fact, the firm promotes a culture of continuous improvement, inclusion and collaboration with a view to bettering oneself, and which ultimately is reflected in the service that we give to our clients.





Continuing Professional Education

All the firm's auditors and senior staff are required to update and deepen their technical and professional knowledge through various trainings offered by the firm itself, as well as trainings organized outside the firm by accredited professional organizations.

Continuing education is a key policy of the firm, as it is an important tool for developing knowledge, which is essential in maintaining and improving the quality of our services. The firm has multiple educational resources at its disposal, such as resources from Baker Tilly International, including technical training (IFRS, IAS, ISA, professional rules, taxation, IT), management and other skills, business, economics and industry specific courses.

All staff are required to attend courses or trainings on International Financial Reporting Standards, fiscal legislation and applicable trade regulations. Annual training updates in the field of International Standards on Auditing and International Standards on Accounting and Financial Reporting are encouraged for all professional audit staff.

The firm has a continuing professional education monitoring system that discloses the minimum number of CPE hours that the firm's qualified staff are required to comply with as referred in Directive 1 Accountancy Profession (Continued Professional Education).

Corporate Social Responsibility



Corporate Social Responsibility

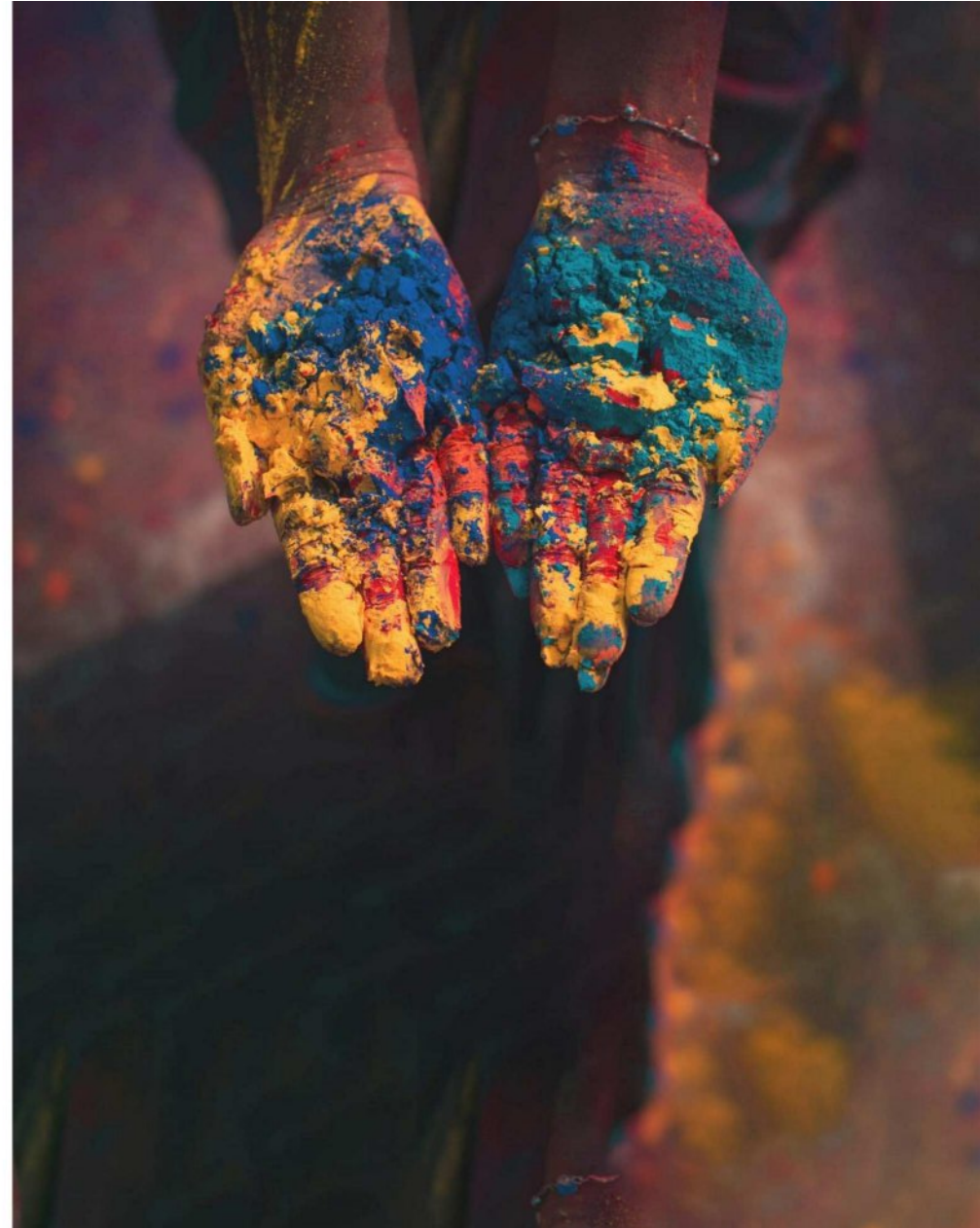
Corporate Social Responsibility is integral to our identity at Baker Tilly Malta. We prioritise corporate social responsibilities with the aim of enhancing the well-being of those around us and our broader community.

This commitment to social responsibility is embraced throughout our firm, including by all our staff. The staff contributes a portion of their salary each month, which amount is subsequently supplemented by the firm and directed toward charitable initiatives.

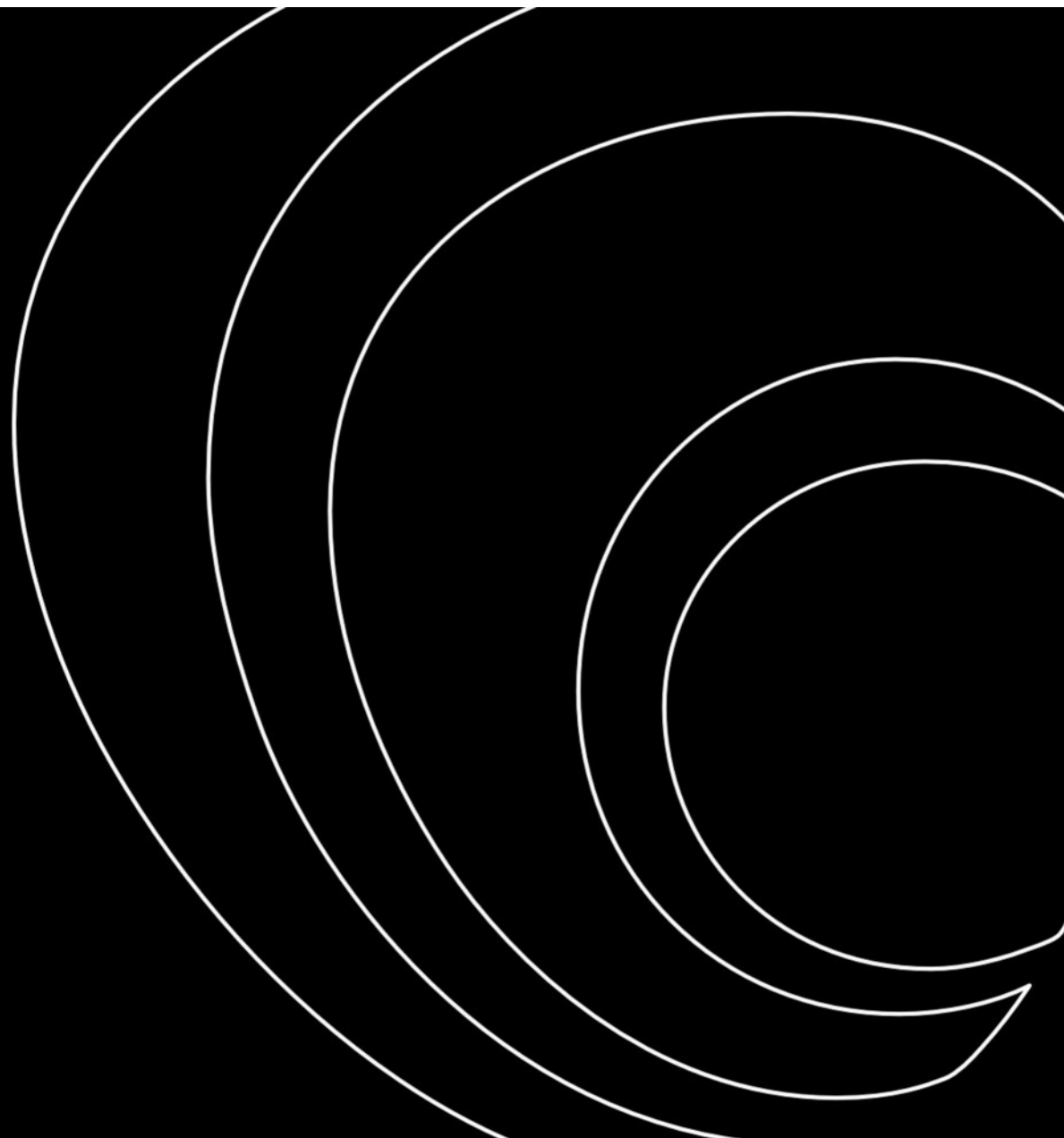
In 2023, the firm made donations to Fondazzjoni Caritas, Dar Bjorn, Dar Fra Diegu, and the St. Peter Foundation, among others. Additionally, various other donations are made on a case-by-case basis.

Additionally, we encourage staff to participate in voluntary activities whenever possible, although these efforts have faced challenges over the recent years due to the impact of the pandemic.

Lastly, the firm also takes the opportunity to provide pro-bono professional services to select charitable and voluntary organizations, leveraging our expertise to support meaningful causes.



Financial Information





Financial Information

Personnel

During the year ending 31 December 2023, the average number of personnel employed by Baker Tilly Malta amounted to 21.

Revenue

Below we present the firm's revenues for the year ended 31 December 2023 segmented by category as required by Article 18(k) of the Accountancy Profession Act (Cap. 281).

Service	Revenue (€)
Statutory audit (PIEs or PIE subsidiaries)	29,300
Statutory audit (non-PIEs or non-PIE subsidiaries)	968,782
Non-audit services (audited clients)	415,370
Non-audit services (other entities)	189,572
Total	1,603,024

Partner Compensation



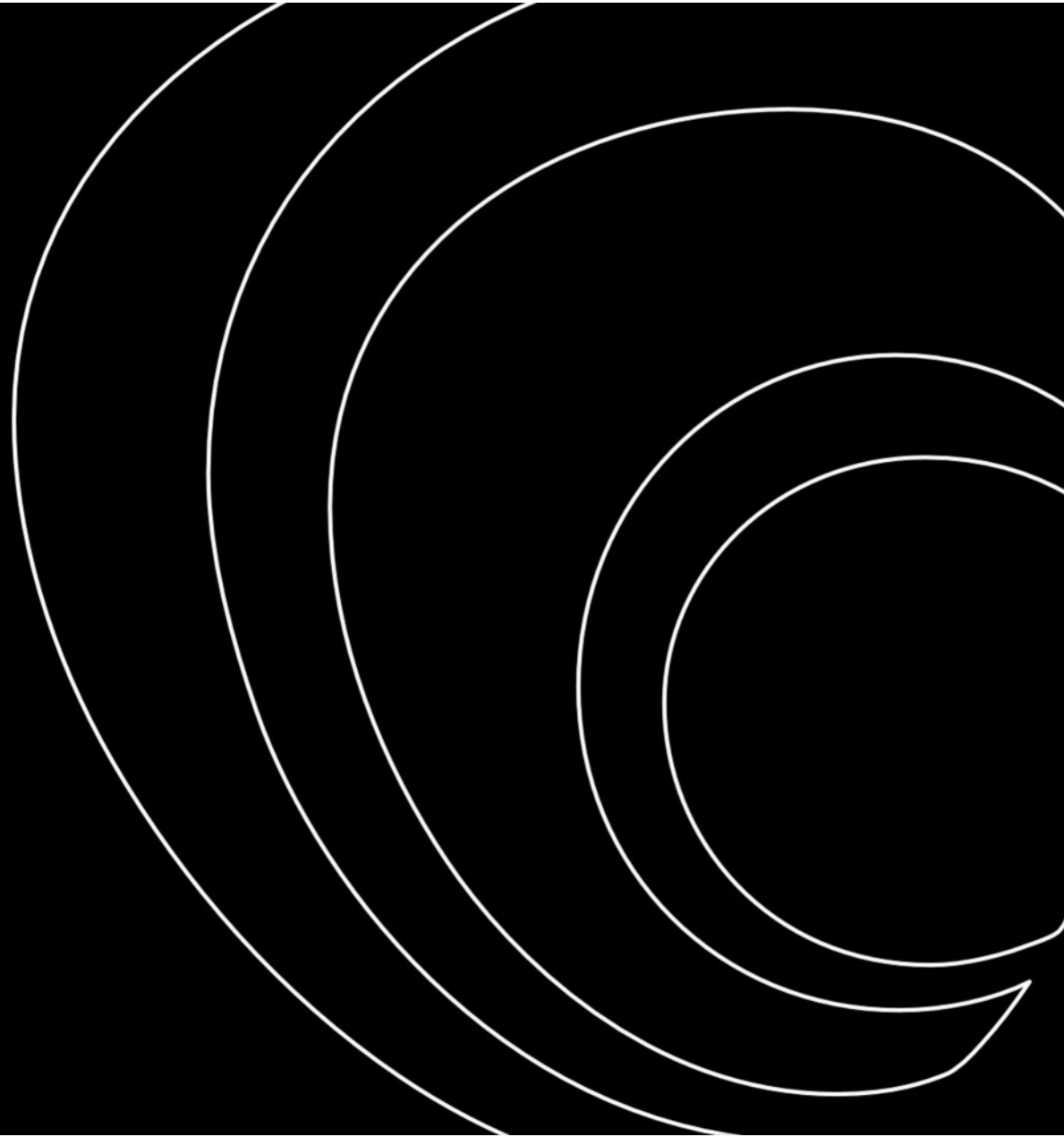
Partner Compensation

The partners do not have any predetermined level of remuneration. They are entitled to their share of the firm's total profits which are allocated according to the partners' respective equity interest.

None of the partners are remunerated based on fees generated by a particular service or group of services, or by a particular client or group of clients.



Appendix 1 - Network Operators



Appendix 1 - Network Operators

Network	EU Statutory Audit Members
Pro Audit Wirtschaftsprüfung und Steuerberatung GmbH	AuditConsultAustria Wirtschaftsprüfung und Unternehmensberatung GmbH (Austria)
	Pro Audit Wirtschaftsprüfung und Steuerberatung GmbH (Austria)
TPA Group	TPA Audit OOD (Bulgaria)
	TPA Audit d.o.o. (Croatia)
	TPA Audit s.r.o. (Czech Republic)
	TPA Control Könyvvizsgáló Kft. (Hungary)
	Baker Tilly TPA Sp. z.o.o. (Poland)
	TPA Audit Advisory S.R.L. (Romania)
	TPA Transilvania Advisory S.R.L. (Romania)
TPA Audit s.r.o. (Slovakia)	
Baker Tilly Klitou & Partners Limited	Baker Tilly Klitou and Partners Limited (Cyprus)
	Baker Tilly Klitou and Partners (Limassol) Limited (Cyprus)
	Baker Tilly Klitou and Partners OOD (Bulgaria)
	Baker Tilly Greece Auditors S.A. (Greece)
	Baker Tilly Klitou and Partners SRL (Romania)
Baker Tilly Iberia	Audiaxis Auditores, S.L.P
	Castellà Auditors, S.L.P.
	Baker Tilly A&C, S.L.P.
	Baker Tilly Audit Mediterráneo, S.L.P.
	Esponera Auditores, S.L

Baker Tilly Sweden	
Adsum Revisorer och Företagskonsulter AB	
Ahnell & Partner Revisionsbyrå	
Aktiv Revision I Gavle AB	
Baker Tilly Ahlgren & Co	
Baker Tilly Asplunds AB	
Baker Tilly Guide	
Baker Tilly Halmstad KB	
Baker Tilly Helsingborg KB	
Baker Tilly Jönköping	
Baker Tilly Karnan	
Baker Tilly Mapema AB	
Baker Tilly MLT KB	
Baker Tilly Norköping	
Baker Tilly Saxos KB	
Baker Tilly SEK AB	
Baker Tilly Stint AB	
Baker Tilly Stockholm KB	
Baker Tilly Strömstad AB	
Baker Tilly Swedrev	
Baker Tilly Sydost AB	
Baker Tilly Umeå AB	
Baker Tilly Uppsala AB	
Baker Tilly Örebro AB	
Baker Tilly Östra Värmland AB	
Carlstedt & Lindh AB	
Edlings Revisionsbyrå KB	
Ernströms Revisionsbyrå, AB	
GA Revision Mariestad AB	
Luminor Revision AB	
M. Sandbergs Redovisning & Revision AB	
Radek KB	
Solid Revision I Vimmerby AB	
Sporrang & Eriksson Revisionsbyrå AB	
YW Revision AB	