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Transparency Report 2021

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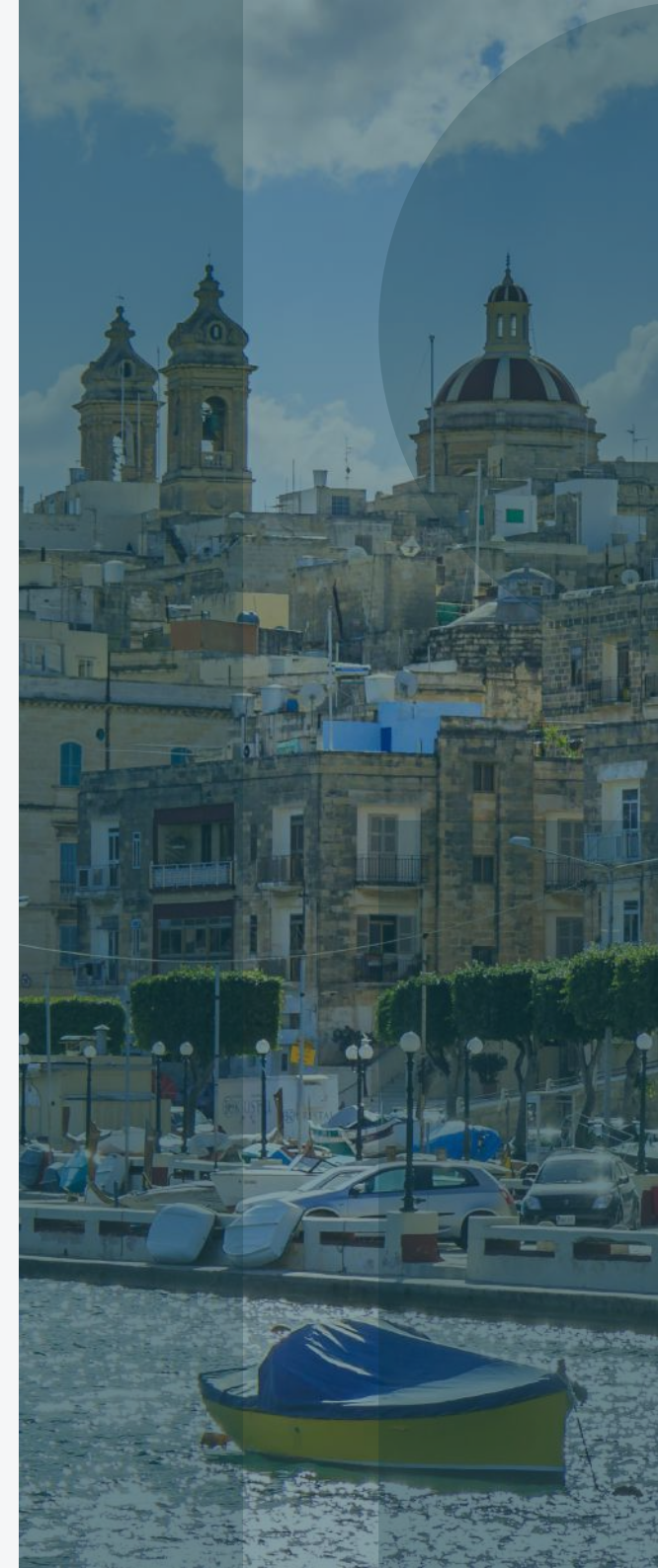
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Introduction

Our organisation personifies the consolidation of knowledge, experience, expertise and resources aimed to convey the maximum and all-encompassing benefit to our clients. At Equis, we provide quality, personalised, and trustworthy services to our clients, with a high degree of personal attention. Focusing on the specific circumstances and environment of each individual client, we carefully assess and provide tailor-made solutions. Our structure invariably ensures the involvement of at least one director in every assignment

undertaken. This provides our clients additional added value, making us our clients' trusted partners in their business affairs. Moreover, due to the closely knit professional team, our focus is on quality, efficiency, and value-for-money services. All this contributes to the continued success and strong relationships built between our organisation and clients.

This transparency report describes policies and procedures which are effective as at 31 December 2021.



Managing Director's Message

This transparency report for the year ending 31st December 2021 has been prepared in accordance with the requirements of the Accountancy Profession Act, Cap 281.

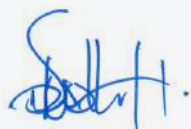
The report provides a detailed overview of our company, our work ethics and values, together with the procedures that we adopt in order to ensure that our clients are constantly provided with professional, timely and an efficient service that they have become accustomed to, whilst ensuring that we maintain a high level of audit quality, including compliance with auditing and ethical standards.

Our Company, Equis Assurance Limited, is the result of a merger between the Firm Busuttil & Micallef CPAs, which provided professional services since 2002, and Paul Bugeja CPA and Nicholas Vella CPA. The five directors at Equis Assurance Ltd boast a considerable comprehensive number of years working in the assurance, advisory, accounting and tax sectors which form

the core services that are today provided to our clients through the two distinct entities, Equis Assurance Limited and Equis Consultancy & Advisory Limited.

I trust that the following report shall provide a useful insight into how our Company operates and how we constantly ensure that our professionalism and quality of work is maintained and enhanced.

For 2022, our main objective is to ensure that the synergies provided by the merger that took place in July 2021 shall continue to strengthen themselves, both for the further professional development of our staff, and also for the benefit of our existing and potential new clients.



David Busuttil
Managing Director



Statement of compliance

Statement on the effectiveness on the quality management system

Our quality management system is designed to provide reasonable assurance that the Company, its directors and staff comply with professional standards and regulatory and legal requirements, that work is performed to a consistently high standard and that reports issued by the Company are appropriate.

Statement on the effectiveness of the systems to safeguard objectivity and independence

The design, operation and effectiveness of the Company's systems to safeguard objectivity and independence form part of the review of the quality management system.

Based on the evidence identified in this review, Equis confirms, with a reasonable level of assurance, that the independence

procedures and practices have been implemented and the system is effective in ensuring independence. Furthermore, Equis confirms that the practices have been subject to internal review.

Statement of compliance with the professional training obligations

On an annual basis, warrant holders are required to complete at least 40 hours or equivalent learning units of relevant professional development activity, of which 25 hours or equivalent units should be verifiable.

Our Company continuously promotes the active involvement of professional staff in local and international professional accounting and auditing organisations. Besides organising in-house and external seminars about various topics pertinent to our professional work, the Company also provides opportunities for staff to attend technical seminars and conferences.

Legal structure, ownership and network affiliation

Equis Assurance Limited is a private limited company and is registered with the Accountancy Board under registration number AB/2/21/14. Equis started its trading operations in July 2021 following the merger of Busuttil & Micallef CPAs, Paul Bugeja CPA and Nicholas Vella CPA. The Company operates from its offices situated at Nr. 11, L-Ufficcji, Misrah 28 ta' Frar 1883, B'Kara, BKR 1501.

Accounting, payroll and back-office services are provided by Equis Consultancy & Advisory Limited, a related entity.

Further details on the services provided by Equis can be found on our website:

www.equis.com.mt

Equis is affiliated with INPACT International, which is an alliance of independent professional offices with over 135 members working out of 233 offices in more than 66 countries worldwide. As a member, this enables the Equis Group to draw on the knowledge, expertise and support of fellow INPACT members in every continent, to complement the services provided locally.



Directors



David Busuttil
Managing Director

David is a Certified Public Accountant with a practising certificate in auditing. He was one of the founding members of the Accounting Firm Busuttil & Micallef CPAs in January 2002, which practice merged with Paul Bugeja CPA and Nicholas Vella CPA in July 2021 to form Equis Assurance Limited and Equis Consulting & Advisory Limited. Prior to this, David also managed

a boutique audit firm for five years and was an audit manager at Grant Thornton Malta.

Having considerable experience in the area, David heads the business and advisory arm of the Company, whilst holding the position of Managing Director. David is known for being pragmatic towards problem solving issues, drawing on his strong background in varied business fields.

Directors - continued



Paul Bugeja
Director (Taxation & Accounting)

Paul commenced his career in international tax departments in medium-sized audit firms where he focused most of his time on accountancy and taxation of international clientele.

In a relatively short period, Paul had

acquired the necessary experience and he decided to start his own practice. He provided professional accountancy services to Maltese and international clients including audit and assurance, taxation, secretarial, consultancy and even payroll services. His professional skills together with the personal attention given to each and every client, enabled him to rapidly increase his client portfolio.

Directors - continued



Donatella Bondin
Director (Audit & Assurance)

Donatella has 18 years of experience servicing a wide range of local and international audit clients. She initially began her auditing and accounting career working with one of the big four firms in Malta, where she was also seconded to work for various high profile clients across Europe.

Donatella joined Busuttil & Micallef's audit and assurance team in 2008 as a Senior Auditor. She was further promoted to Audit manager in 2014. She became a partner within the firm in July 2019.

Donatella is a Certified Public Accountant, holds a Bachelor of Arts (Honours) in Accountancy degree, is a member of the Malta Institute of Accountants and holds a practising certificate in auditing. She has considerable experience in planning and supervising audits and involved in assistance with technical matters, especially those relating to International Standards on Auditing (ISAs) and compliance with International Financial Reporting Standards (IFRSs) and local accounting standards (GAPSE and GAPSME). Donatella is also responsible for providing training to new recruits, coaching of team members and for planning and reviewing audit engagements.

Directors - continued



Nicholas Vella
Director (Audit & Compliance)

Nicholas Vella is a Certified Public Accountant with a practising certificate in auditing. Nicholas gained experience having previously worked with a Big Four audit firm. He has also successfully managed a boutique audit firm for five years before joining Equis. Nicholas, a very analytical and organised person with an eye for detail, has extensive hands-on experience in financial audits, accounting and tax planning, as well as servicing local and international clients.

His experience in carrying out and leading large audit engagements from start to finish helped in gaining knowledge about internal business processes and business risk exposures. As a result, through his versatility, he serves his clients in all their accountancy, auditing, and tax planning needs.

Nicholas holds a degree in accountancy from the University of Malta and a Diploma in Taxation from the Malta Institute of Taxation. He is also a member of the Malta Institute of Accountants and the Malta Institute of Taxation.

Directors - continued



Lorraine Muscat
Director (Audit & Assurance)

She is a graduate from the University of Malta, is a Certified Public Accountant and also holds a practising certificate in auditing.

Whilst managing a portfolio of the Company's clients, Lorraine is mainly responsible for audit assignments of

both local and international clients. Apart from auditing, Lorraine is also involved in assistance with technical matters, especially those relating to International Standards on Auditing (ISAs) and compliance with International Financial Reporting Standards (IFRSs) and local accounting standards (GAPSE and GAPSME). Lorraine acts as the Compliance Principal within the Company.

Leadership

The Company's directors always have the ultimate responsibility for audit quality. They accept responsibility for leading and promoting a quality assurance culture within the Company and for providing and maintaining the manual and all necessary practical aids and guidance to support engagement quality. Company directors may serve in more than one role as follows:

- Compliance Director - responsible for monitoring the effectiveness of work performed and for all complaint and allegation matters. The Compliance Principal is also required to consult and

respond on all matters related to ethics, including independence, conflict of interest, privacy and confidentiality.

- Human Resources director - responsible for all human resource functions, including recordkeeping with respect to professional duties such as fees and continuing professional development (CPE).

- Quality Control Reviewer – responsible to perform the function of engagement quality control review.

Ethics and independence

The Company recognises the value of ethical leadership, and its objective is to provide reasonable assurance that the Company and its personnel comply with the relevant ethical and independence requirements. The Company's policies and procedures are designed to ensure that such requirements are adhered to.

The directors and all staff must be independent, both in mind and appearance, of their assurance responsibilities, clients and engagements.

Independence of mind permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity and exercise objectivity and professional scepticism.

Independence in appearance involves the avoidance of facts and circumstances that are so significant that a reasonable and informed

third party, having knowledge of all relevant information would reasonably conclude that the Company's or a member of the engagement team's integrity, objectivity or professional scepticism have been compromised.

The Company is responsible for the development, implementation, monitoring and enforcement of policies and procedures designed to assist all directors and staff in understanding, identifying, documenting and managing independence threats and for the resolution of independence issues that arise prior to or during engagements.

When threats to independence cannot be eliminated or reduced to an acceptable level by applying appropriate safeguards, the Company eliminates the activity, interest, or relationship that is creating the threat, or refuses to accept or continue the engagement (where withdrawal is not prohibited by law or regulation). When threats to independence that are not at an acceptable level are

identified, and the Company decides to accept or continue the assurance engagement, the decision shall be documented. The documentation should include a description of threats identified and the safeguards applied to eliminate or reduce the threats to an acceptable level.

The Compliance Principal is responsible for, and ensures an appropriate resolution to independence threats. The Compliance Principal is required to review specific circumstances for any independence threats or potential threats. Staff members should inform the Compliance Principal immediately whenever independence threats are identified.

All members of staff, including all subcontracted professional individuals and directors prepare an independence form on an annual basis confirming their independence and compliance with the Company's policies and procedures.

Engagement leader rotation

The Company adheres to engagement leader rotation in order to safeguard the Company's independence, as per IESBA Regulation. For audit of PIEs, the engagement leader, who is responsible for carrying out a statutory audit, shall cease his participation in the statutory audit of the audited not more than seven years from the date of their engagement. The engagement leader shall not participate in the statutory audit of the audited entity before three years have elapsed following that termination.

Provision of non-assurance services

The Company will only provide an audit client with non-assurance services provided that the principles contained within Directive 2 Code of Ethics are not breached.

The following safeguards will be applied where the following non-assurance services are provided:

- Book-keeping – segregation of duties is applied. Staff not involved in the audit engagement carry out book-keeping and taxation services under the supervision of a director who is also not involved in audit.

- Taxation services – review of tax computation by a director or staff member not involved on the audit engagement.

- Assistance in the preparation of financial statements – written representation is obtained from the client in respect of classifications and disclosures. Such safeguard is exercised particularly by the client approving the financial statements and the extended trial balance.

All Directors, other than the audit engagement leader, who intend to carry out work for an audit client must notify the audit engagement leader before any such work starts so as to assess the overall impact of ethical requirements on the audit engagement.





Our people

The Company's audit methodology is based around the fundamental principles of professional independence, transparency, and the highest level of ethical integrity, to achieve the best outcome for businesses and their stakeholders. Our audit team is made of highly qualified and experienced individuals. This guarantees a professional service provided in a timely and efficient manner.

Recruitment and performance evaluation

The Company employs staff who have the relevant qualifications, experience, integrity and competencies and meet the high standards expected by Equis and demanded by our clients. The stages of recruitment include application interview and the verification of references. This is followed by offer and acceptance of employment. The performance of personnel is continuously evaluated by the audit directors. Each personnel are formally advised of progress, strengths and weaknesses, future objectives and their development plan by means of evaluation meeting with the audit directors.

Staff development and training

The Compliance Principal (CP) and all qualified staff must meet the minimum continuing professional education requirements as defined in Directive 1 to the Accountancy Profession Act, in accordance with IFAC's International Education Standard (IES) 7 and 8.

- IES 7, "Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence," prescribes that IFAC member bodies implement a continuing professional development (CPD) requirement as an integral component of a professional accountant's continued membership.
- IES 8, "Competence Requirements for Audit Professionals," prescribes competence requirements for audit professionals, and which IFAC member bodies need to establish via policies and procedures that members satisfy. The Company regularly monitors the compliance of personnel with minimum CPE requirements.

The Company organises regular training sessions geared to meet the development needs of directors and staff members. Such training is provided by both appropriate specialist staff within the Company, as well as external training providers when necessary.

Staff events

Our social committee organises events throughout the year which provide the directors and staff to interact outside working hours.

Summer party

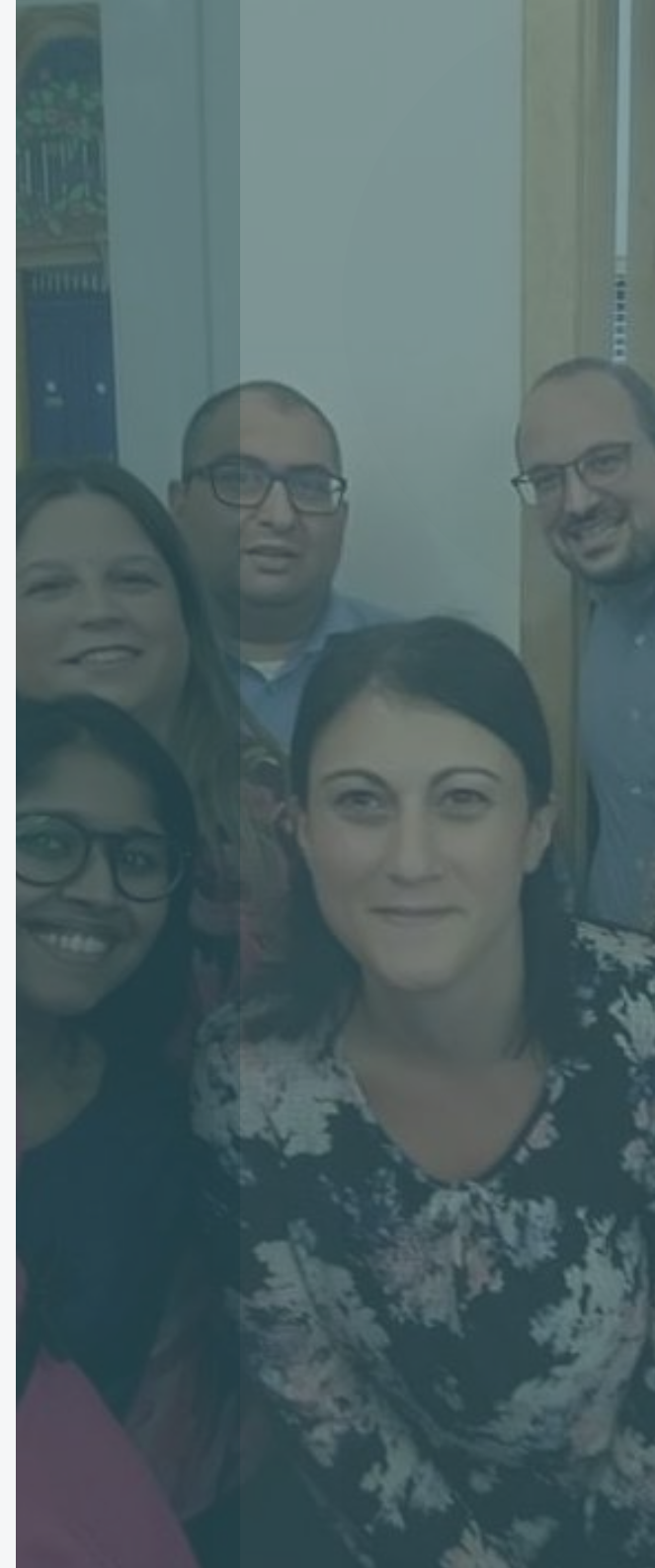
Our summer party was held in September 2021 at the Olive Gardens, Mdina. The event was organised in line with the Covid-19 safety measures.

Breast Cancer Awareness Day and Movember

Every October and November, institutions, companies, and everyday people worldwide join forces to support a common cause that encourages them to dress up in pink while the guys refrain from shaving their moustache, coining the term Pink October and Movember respectively. To mark this special day, Equis's staff were given a succulent plant.

Christmas party

This was held at Aaron's Kitchen in Valletta – perfect venue to celebrate together as a Team.



Engagement assignment

The Company's policy is to ensure the assignment of appropriate staff (individually and collectively) to each engagement. The Compliance Principal is responsible for ensuring that the individuals assigned, and the engagement team as a whole, have the necessary competencies to complete the engagement according to professional standards and the Company's quality control system.

It is the Company's policy that members of the audit team:

- should not have any family or personal relationships with any directors, officers or employees of an assurance client;
- should not have been directors of audit clients, nor should they seek employment with assurance clients within a period of two years from having worked on an audit assignment;
- should not be a shareholder in an assurance client company, or deal in the company shares or other securities of the assurance client.

Client acceptance procedures

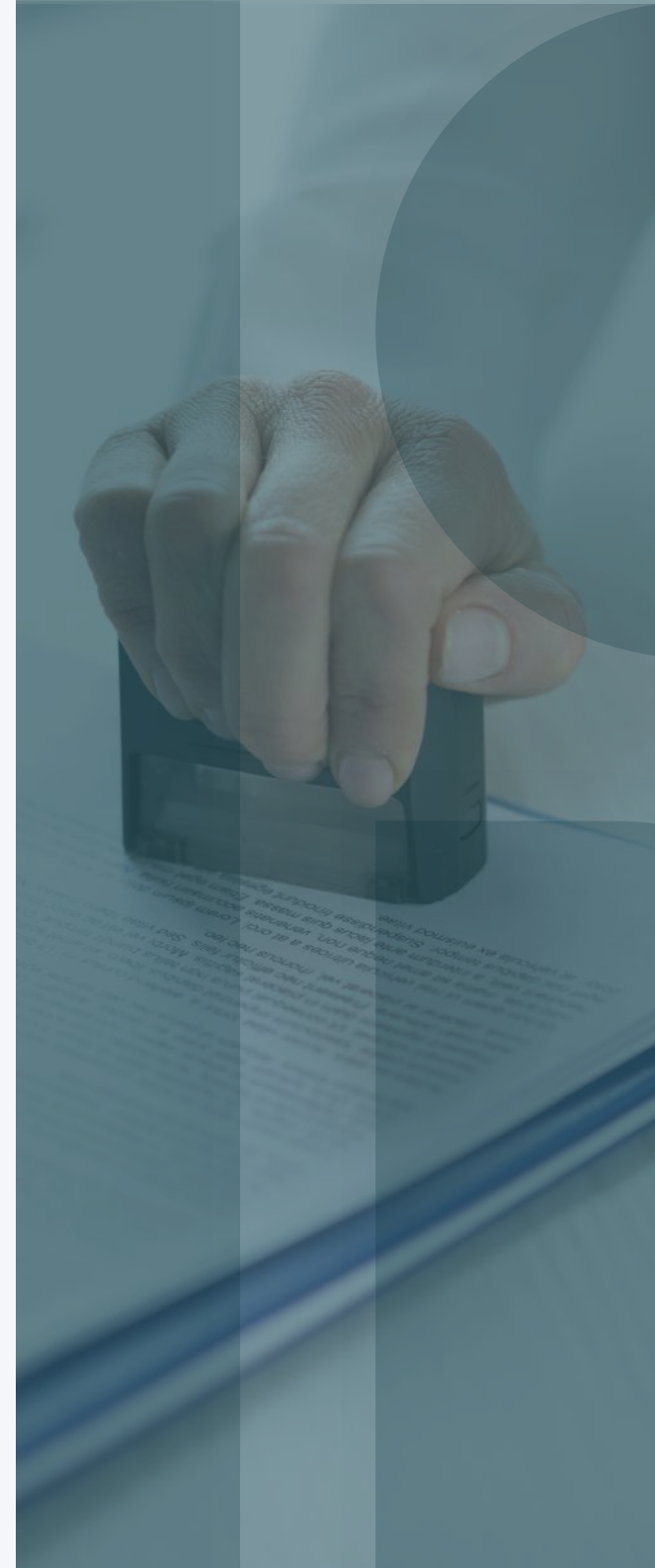
The Company accepts new engagements or continues existing engagements and client relationships only after a review process is conducted by the Compliance Principal who concludes that:

- the appropriate due diligence is in place;
- the client does not lack integrity;
- the Company is competent to perform the services required;
- the Company can comply with ethical requirements;
- the relevant independence and conflict

of interest issues have been addressed; and

- experienced and skilled staff are allocated appropriately.

Once a determination has been made to accept a new client, the Company shall meet the relevant ethical requirements (such as communicating with the former Company if required by the member body code of ethics) and prepares an engagement letter for signature by the new client.



Quality control procedures

Equis Assurance Limited has implemented, maintains, monitors, and enforces a quality control system that provides reasonable assurance that the Company complies with the requirements of ISQC 1 and that the engagement reports are appropriate for the circumstances. The directors accept responsibility for leading and promoting a quality assurance culture within the Company.

The Company's policy is:

- to ensure quality in all assignments that we perform;
- to ensure commercial considerations never override the quality of performance;
- to ensure sufficient resources are devoted to the development, documentation and support of the Company's quality control

policies and procedures, and

- to ensure all audit work is controlled and signed off only by specified engagement leaders.

The Company's system of quality control procedures is made subject to a robust review on an annual basis. The Company shall address all deficiencies detected and reported by the Compliance Reviewer. Structural flaws indicated by deficiencies may require changes to the quality control or documentation system. If deficiencies are determined to be systemic or repetitive, immediate corrective action will be taken. The directors shall review detected deficiencies to determine whether training courses or supplementary education could effectively address some of the issues behind the deficiencies.

Quality control reviews

In respect of every audit performed by the Company, the engagement leader carries out an assessment against the Company's established criteria to determine whether an Engagement Quality Control Review (EQCR) shall be performed. This assessment should be made before the engagement is accepted, in the case of a new client relationship, and during the planning phase of the engagement, in the case of continuing clients. When a review is deemed necessary, this is always completed before any report is issued.

The criteria for the review by an EQCR reviewer are set out as follows:

- The company audited is a Public Interest Entity;
- The identification of unusual circumstances or risks in an engagement or class of engagements;
- A specific requirement set down by laws or regulations;
- The long association with a client that exceeds 7 years for non-listed companies or Public Interest Entities, and also where procedures listed under point 3 above require so.

The EQCR shall include, as a minimum:

- A discussion of significant matters with the engagement leader.
- A review of the financial statements or other subject matter information and the proposed report.
- Consideration of whether the proposed report is appropriate in the circumstances, and
- A review of selected working paper file documentation relating to the significant judgments the engagement team made and the conclusions it reached.



Monitoring

The quality control policies and procedures are an important part of the Company's internal control system. Monitoring consists primarily of understanding this control system and determining, through interviews, walk-through tests, and file inspections, whether and to what extent, this control system is operating effectively. It also includes developing recommendations to improve the system, especially if weaknesses are detected or if professional standards and practices have changed.

The Company relies on every director or staff member at all levels to informally monitor and enforce quality, ethics, and professional and Company's standards. This monitoring shall be inherent in every

aspect of professional work. Directors and staff who are able to make decisions or oversee the work of others have a greater level of responsibility.

The Company will also consider any feedback received from the Quality Assurance Unit of the Accountancy Board following their cyclical visits to the Company. Given that Equis Assurance Limited was only incorporated in mid 2021, no review has been performed by the Quality Assurance Unit yet. However, prior regulatory visits were carried out by the Quality Assurance Unit to Busuttill & Micallef and Paul Bugeja CPA during their audit practice before merging into Equis Assurance Ltd.

Complaints and allegations

The Company is committed to providing a high-quality service to clients and takes any complaints and allegations made against the Company very seriously. All complaints of whatever nature are reported to the respective engagement leader for immediate appropriate action. Any complaint received from a client or other third party will be addressed by replying at the earliest practical moment, with an acknowledgement that the matter is being attended to, and that a response will be forthcoming after it has been appropriately investigated. Periodic reports of complaints shall be prepared and circulated to all directors for further advice, training, disciplinary action or internal quality control systems changes.



Financial information

The combined turnover of the company for the period 1st July 2021 up to 31st December 2021 amounted to €476,018.

Revenue breakdown

Audit services	€350,091
Consultancy and advisory	€ 54,043
Tax-related services	€ 29,334
Public interest entities & entities whose parent is a PIE	€42,550

During the period ended 31 December 2021, the average number of personnel employed by Equis amounted to 19 (in full time equivalents).



Lorraine Muscat
Compliance Principal

Public Interest Entities

Equis Assurance Limited issued a statutory audit report during 2022, for the year ended 31 December 2021, on behalf of the following entity falling within the definition of Public Interest Entity:

- Brown's Pharma Holdings plc – C95118
Date of audit report 24th April 2022.

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

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

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

Remuneration

The directors of the Company are allocated a fixed remuneration. Given that all directors are also shareholders, they are further entitled to a share of the Company’s total profits which are allocated according to their respective shareholding.

None of the directors are remunerated based on fees generated by a particular service or client.



