

Transparency Report

2020



🗨️ Mission Statement

To be the leading provider of auditing, accounting, tax and consultancy services, whilst maintaining the utmost ethical standards and a commitment to offer innovative value added solutions to clients, enhancing employee skills and capabilities and to promote general community interests.



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Intro

KSi Malta is a corporate and private client advisory, accounting, audit and tax firm providing a full range of financial, legal, and business advisory services to a diversified client base. Since inception, KSi Malta has encouraged a participatory relationship among all team members as well as its clients.

This flexible approach enables all parties to be involved during all processes that directly lead to the advancement of every client's business objectives. KSi Malta draws on its ample experience in order to assist local businesses to grow, as well as supporting international companies interested in establishing themselves and operating in Malta. KSi Malta makes use of all the business contacts it has in order to support clients' business requirements. Furthermore, the firm guarantees the utmost commitment to all its clients, whilst offering an efficient and tailored service.

KSi Malta is a member of Morison KSi, a global association of leading professional service firms, established to meet the cross-border accounting, auditing, tax and business consulting needs of clients.



KSi Malta offers its clients the benefit of over 40 years of experience in auditing, accounting, taxation and advisory.



Managing Partner's Message



This transparency report for year ending 31 December 2020 has been prepared in accordance with the requirements of Article 18(1) of the Accountancy Profession Act.

This report provides an overview of our firm, our values and the policies and procedures we have in place, which ensures the maintenance of audit quality, including compliance with auditing and ethical standards. It also contains information regarding areas we believe are relevant to our clients or to potential clients alike.

KSi Malta services a number of clients in many industries and sectors, including real estate, professional services, retail, manufacturing, shipping, health and technology. Whatever the business sector, the focus remains on offering our clients the highest possible standard of service based on our knowledge of the business and the industry in which it operates.

As a firm, our objective for 2021 is to invest further in the professional development of our staff and in the infrastructure of our firm so as to succeed in our growth strategy.

JOSEPH GAUCI
Managing Partner



Morison KSi

Morison KSi's mission is to be a leading, quality-focused global association of independently owned and operated full service firms, who is able to serve its firms and their clients' international needs with ease and confidence.

Each member firm of Morison KSi is an independent legal entity and they are governed and administered in the countries in which they operate.

Each Morison KSi member firm offers a personal service based on a thorough understanding of both the local culture, and the particular international needs of its clients. The services provided vary and usually encompass audit, accounting, taxation and general business advice offered to a wide variety of industries, from small start up businesses to publicly traded corporations.

Values

Everything that is done is guided by the following values:

- Focus on members who are committed to service quality delivery
- Equality of member firms, based on participation
- Client focused
- Unite via teamwork and collaboration
- Ethical and transparent
- Ambitious, innovative and passionate
- A professional, but fun and “family” culture

Purpose

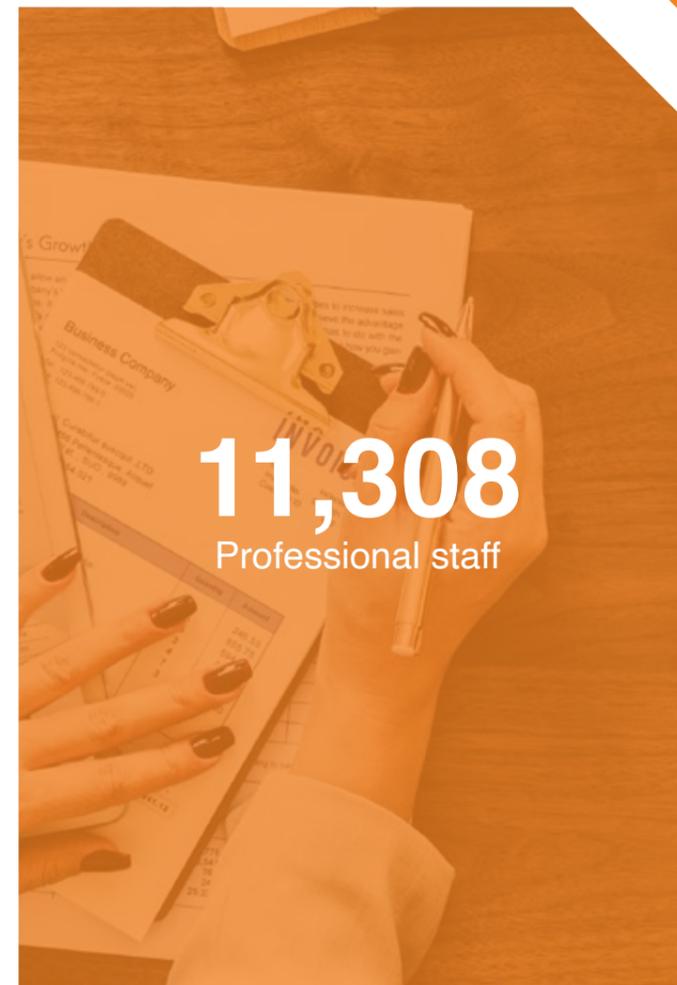
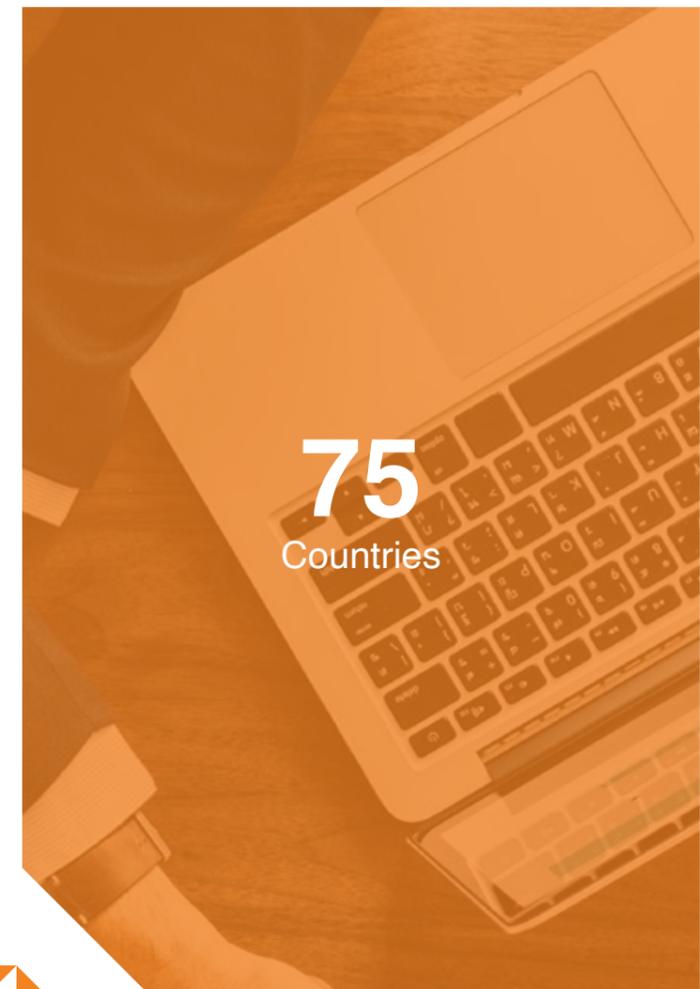
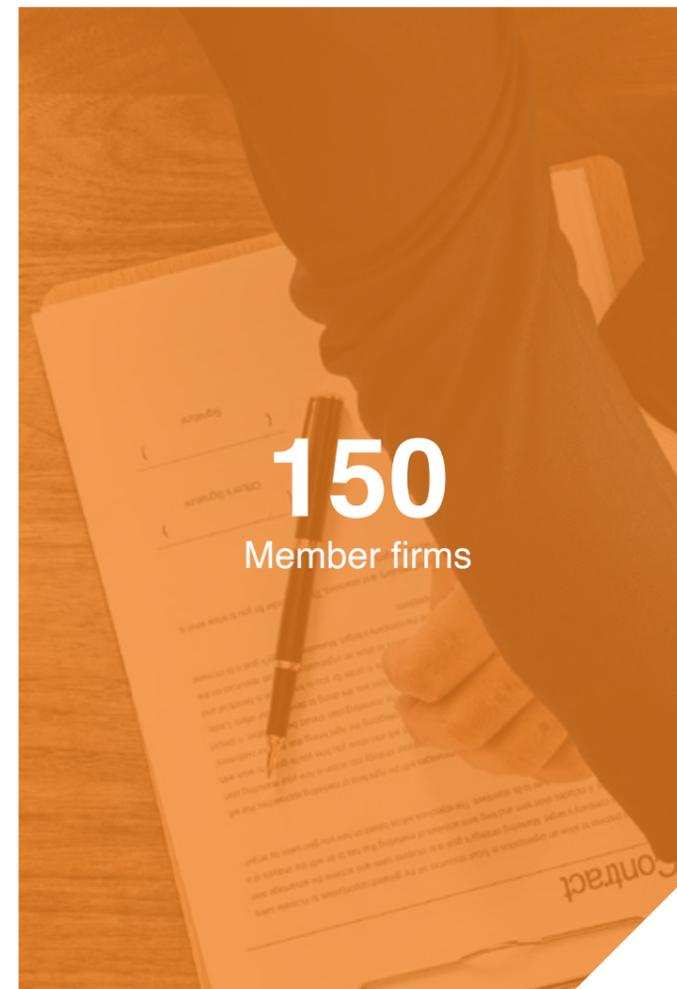
The association provides its members and their clients with access to high-quality professional accountancy, auditing, tax and consulting in all major locations around the world.

The rigorous selection process is designed to recruit only outstanding independent member firms into the association.

The framework provided by the association enables member firms to share knowledge and network with like-minded professionals, benefit from quality training events, in addition to satisfying the international needs of its valued local clients.

Culture

The key to the association’s success is its unique culture. Whilst having a professional outlook, it also has a personality – making the association and its members stand out from the crowd. In fact the association is fondly known as the “Morison KSi family”.





Legal Structure & Ownership

KSi Malta is a civil partnership and is registered with the Accountancy Board under registration number AB/26/84/43 made up of three partners and two directors:



The equity of KSi Malta is held by one partner while the voting rights are held by the Partners exercised during partners' meetings. During the year 2020, 6 partners' meetings were held.

The equity Partner does not receive a fixed salary but receives profit on an annual basis. All salaried partners and directors receive an agreed remuneration package that is commensurate to their position and responsibilities. None of the Partners or Directors are remunerated on the basis of fees generated by a particular client or group of clients, or by the provision of particular services.

The firm operates from its offices situated at 6, Villa Gauci, Mdina Road, Balzan BZN9031, Malta.

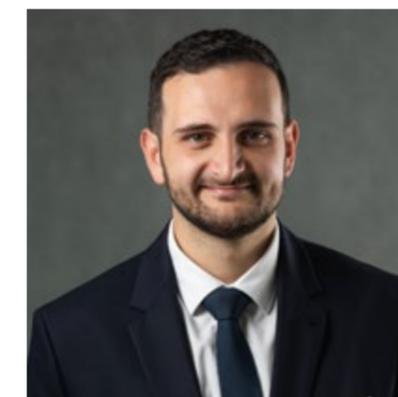
The firm's audit practice is regulated by the Accountancy Profession Act, and is subject to regular monitoring by the Quality Assurance Board.



JOSEPH GAUCI
*Managing Partner and
Compliance Principal*



DENNIS MARK GAUCI
*Partner for international
client services*



BERNARD CHARLES GAUCI
*Audit and Advisory
Partner*

Developing Talent

KSi Malta's family culture is reflected in the day to day running of our business through our team of professionals. We understand that a happy work place is of essence and productive in turn, and therefore flexibility plays an important part. Together with this, competitive compensation packages are very important when top talent is hired. Moreover we ensure that not only is training offered in line with individual career paths but we also instil a culture of togetherness through events organised on a monthly basis.



Corporate Social Responsibility

We believe that every firm should give back to its society hence why at KSi Malta we support a number of charitable institutions on a yearly basis. From internal events to client events organised to raise awareness and support, some in conjunction with the Office of the President of Malta. Additionally, building relationships with non-profit organisations through unpaid services and advice are also important to us as we assist them in achieving their goals.





Internal Quality Controls and Independence



Quality assurance, ethics and risk management

The firm believes that its internal quality control system functions at a suitable level of effectiveness for a firm of its size. It is also committed to constantly and steadily improve internal policies and procedures.

1. Responsibility for quality within the firm.

The firm's management team is responsible for maintaining the highest quality standards in every area serviced by the firm. This includes, but is not limited to, compliance with the requirements of International Standard on Quality Control 1.

2. Risk management.

Before accepting a new client, the prospective client is assessed to ensure that any risks of proceeding with the engagement are deemed acceptable according to our Client Acceptance and Compliance Policies. Should the prospective client be deemed unsuitable, the engagement is declined.

Thanks to the firm's commitment to offering the very best possible standards, before accepting a particular assignment, the relevant partners and staff are selected guaranteeing the appropriate specialist knowledge for understanding such engagements.

3. Ethical requirements.

Ethics training is provided to partners and staff on a regular basis supporting them in dealing with relevant situations. This includes training on the Ethical Standards for Auditors. The firm has in place policies and detailed internal guidance to ensure compliance with such Ethical Standards.



Monitoring Audit Performance

1. Audit engagement performance.

The audit performance of the firm is principally monitored by the Audit Partners, who are also responsible for promulgating best practice, whether through training or other methods such as through the internal written documentation aforementioned.

The Audit Partners are also responsible for the firm's audit methodology, which is based on internal methods and software, supplemented as necessary with additional material and guidance. The firm's Audit Framework sets out the policies and procedures in place for performing audits, together with practical guidance during engagements.

2. Monitoring.

The firm is subject to reviews by the Quality Assurance Unit, set up within the Accountancy Board of the Ministry for Finance of Malta. The most recent review by the Quality Assurance Unit was carried out in April 2017.

Additionally, the firm has its own internal quality control monitoring programme whereby reviews of completed audit engagements are carried out to ensure compliance with professional standards, technical considerations as well as independence and ethical issues, amongst others. No issues have yet been raised which we believe have a material impact on the conduct of our statutory audit business through our review program and which is conducted on a regular basis.

Independence Procedures

The firm maintains internal policies and procedures to ensure that it maintains independence from its clients and that conflicts of interest are dealt with appropriately and on a timely basis.

All partners and staff are required to complete annual declarations of independence. In the event of any circumstances affecting such independence, an appropriate action plan is formulated in consultation with the management, who also review all the annual declarations.

Audit partners are subject to rotation requirements limiting the number of years they may provide audit services to a listed company or public interest entity for. In addition, the firm's audit methodology requires independence to be reassessed each year. This includes consideration of whether any non audit services provided by the firm to our audit clients may have an adverse impact on our actual or perceived independence.



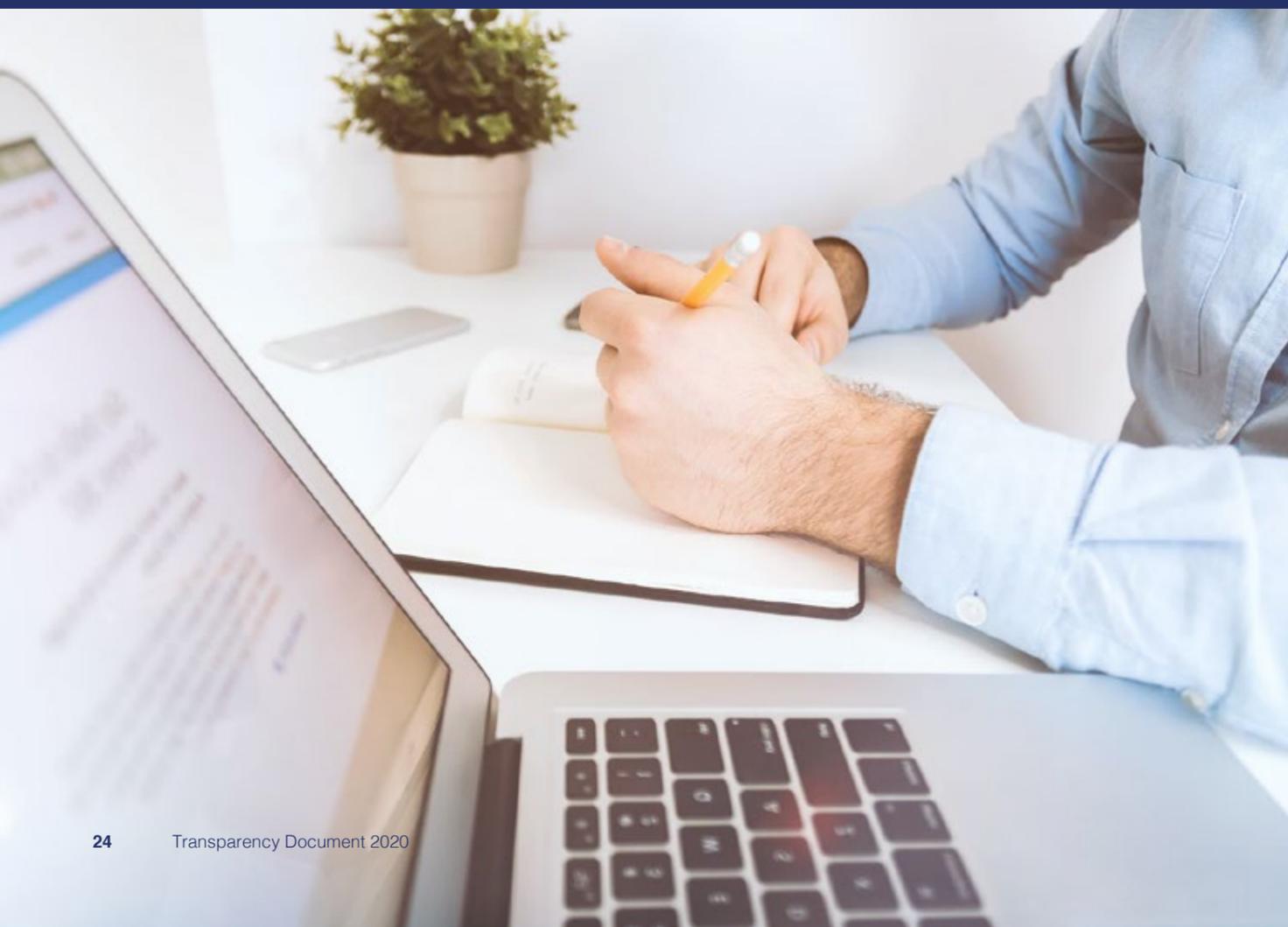
Training and human resources

The firm organises regular training sessions geared to meet the development needs of partners and staff. Such training is provided both by appropriate specialist staff within the firm, as well as by external training providers when necessary. The firm regularly monitors the compliance of personnel with minimum CPE requirements.

HR matters are the responsibility of the Head of HR and the firm's Human Resource team. Maintenance of good HR procedures is vital for ensuring the quality of the firm's personnel and to this end robust control procedures are in place. These cover the recruitment, appraisal and remuneration processes which ensure that the firm employs, retains and properly rewards individuals with the right skills and values.

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Financial Information

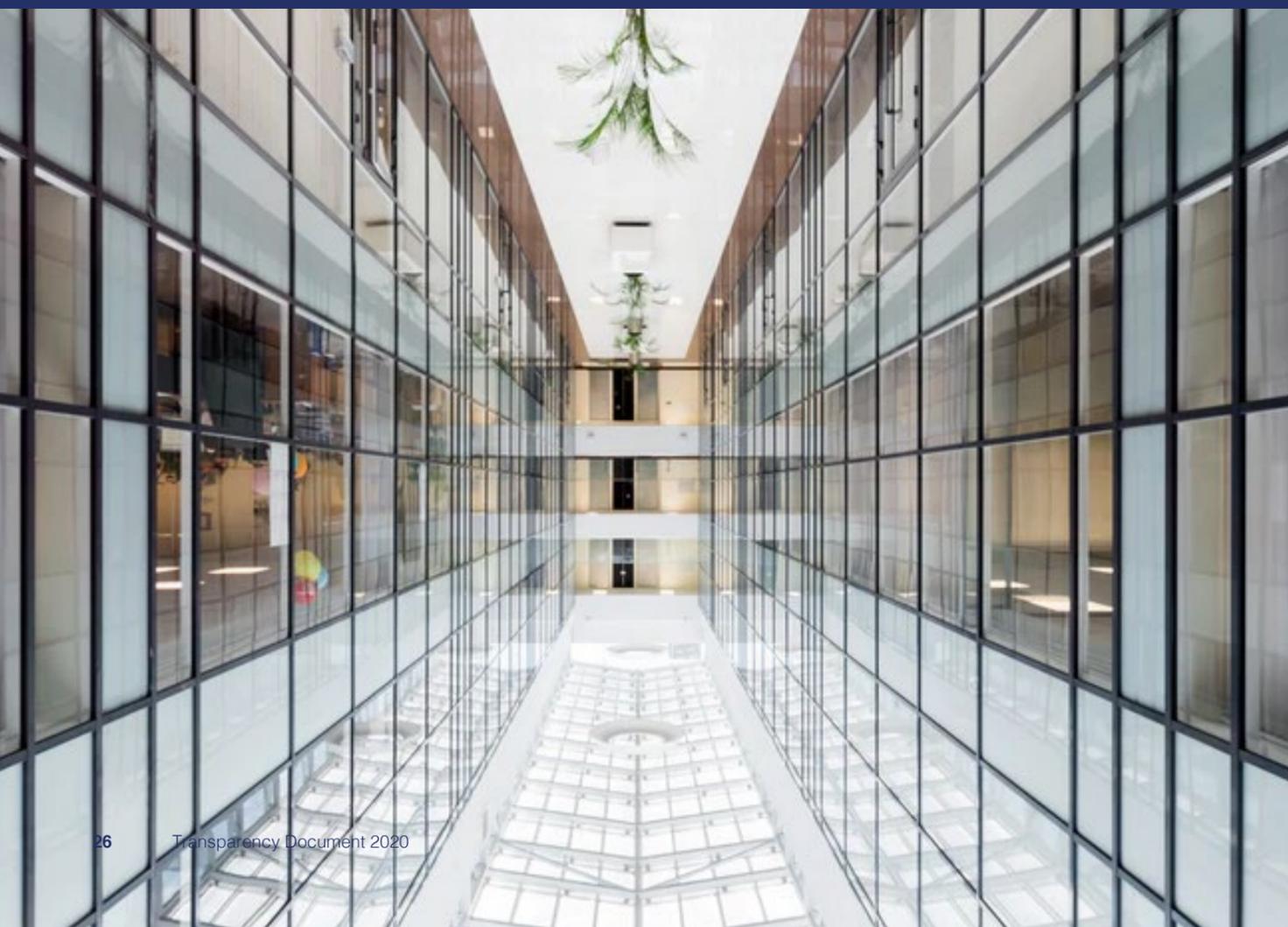


Revenue

During the year ending 2020, KSi Malta's revenue totalled EUR 1,681,741 and is divided as follows:

Revenue	Euro (€)
Revenue from the statutory audits of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE	66,620
Revenue from the statutory audits of non-PIE entities	455,231
Revenue from permitted non-audit services to audited entities	504,522
Revenue from other non-audit services to other entities	655,368

Public Interest Entities



KSi Malta issued statutory audit reports during 2020, for the year ended 31 December 2019, on behalf of the following entity falling within the definition of Public Interest Entity:

DIZZ FINANCE PLC - C 71189

Date of audit report – 27 April 2020

The Company is a holder of listed debt through a bond issue on the Malta Stock Exchange.

The Accountancy Profession Act Cap 281 defines Public Interest Entities as:

- entities 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.

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