



Transparency Report

For the year ended 30 June 2025


Propel your future



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**A global community
where dynamic business
advisers can belong, grow
and thrive.**

Together, we create powerful opportunities
to propel the success of our clients.

A portrait of Bob Bell, a middle-aged man with short, wavy grey hair, smiling. He is wearing a dark blue blazer over a light blue and white checkered button-down shirt. The background is a bright, out-of-focus window with a view of a modern building.

Bob Bell
Managing Director
bbell@pkf.com.au

Foreword

We are pleased to present our Transparency Report for the year ended 30 June 2025.

This report provides information on PKF Newcastle & Sydney and our relationship with network firms in the PKF Australia and International Network. It is designed to give information to existing and potential clients, as well as other key stakeholders, on the ownership and governance of the Firm and the measures we take to maintain high quality standards.

Audit and related services are an important part of our business and we welcome the requirement to publish this transparency report. Quality is a key pillar of our organisation, underpinned by a commitment from all team members to continuous improvement and recognition that quality is both about service and our compliance with the regulatory requirements.

Our approach to training, process change, peer review and adoption of technology all serves towards this ethos of continuous improvement that clients understand and are able to work with in the interests of all stakeholders..

Legal structure and ownership

PKF Newcastle & Sydney (the Firm) is a group of partnerships, companies and trusts owned by its equity partners and related entities and governed by a Shareholders Agreement and Audit Partnership Agreement.

As at 30 June 2025, there were thirteen equity partners in the Firm's head entity.

The Firm operates from the following two offices in New South Wales:

- Level 8, 1 O'Connell Street, Sydney, 2000; and
- 755 Hunter Street, Newcastle West, 2302.

The Firm offers a range of services comprising:



Audit and Assurance



Corporate Finance



Business Advisory



Taxation



Business Recovery and Insolvency



Wealth Creation

The PKF Newcastle & Sydney Audit division is operated as a separate partnership, PKF (NS) Audit & Assurance Limited Partnership ("PKF(NS) A&A" or "Partnership"). As at 30 June 2025, PKF(NS) A&A had four equity partners and is governed by its own partnership agreement.

In the year ended 30 June 2025, the PKF NS Administration Services P/L ATFT New Horizons Unit Trust was utilised by the Partnership as its administration vehicle. All employees who provide assurance services are employed by PKF(NS) A&A.

Governance

The Firm's Governance is overseen by a Board comprising the Managing Director, 5 equity partners and a non-executive director. The Board meets 6 times per year to discuss operational and strategic matters.

The equity partners also meet periodically to discuss matters that arise which need to be urgently addressed. As at 30 June 2025, the equity partners and their business units are as follows:

BUSINESS ADVISORY	
Bob Bell	Sydney
Nick Falzon	Sydney
Andrew Beattie	Newcastle
David Jamieson	<u>Newcastle</u>
Steve Meyn	<u>Newcastle</u>
Chad Russell	Newcastle

CORPORATE FINANCE	
Andrew Beattie	Newcastle



AUDIT AND ASSURANCE	
Kym Reilly	Sydney
Paul Pearman	Sydney
Scott Tobutt	Sydney
Clayton Hickey	Newcastle



BUSINESS RECOVERY & INSOLVENCY	
Brad Tonks	Sydney



TAXATION	
Andrew Porvaznik	Sydney
Iain Spittal	Sydney

National network

PKF Newcastle & Sydney is a member firm of the PKF International Network, admitted under an individual Operating Licence Agreement.

The fifteen PKF firms in Australia are located in Newcastle, Sydney, Adelaide, Brisbane, Canberra, Gold Coast, Melbourne, Perth, Port Stephens, Rockhampton, Tamworth, Townsville, Upper Hunter, Darwin, and Walcha.

All PKF firms within Australia have signed a Members' Agreement with PKF Australia Limited (PKFA).

PKFA is governed by a board of directors, consisting of a partner representative from each of the PKF firms in Australia (excluding any correspondent members).

Currently, the members of the Board are:

Adelaide	Antoniette Tatarelli
Brisbane	Liam Murphy
Canberra	George Diamond
Gold Coast	Matthew Butler
Darwin	Matthew Kennon
Melbourne	Timothy Bow
Newcastle/Sydney	Bob Bell
Perth	Darren Shillington
Tamworth/Walcha	Evan Brownsmith

Steve Meyn (Chair)

The Board meets face-to-face at a minimum three times per year and conducts monthly teleconferences. The Board is responsible for protecting the interests and reputation of the members of PKFA, and for the oversight of the management and operations of the national network from a strategic level. The functions and powers of PKFA are specified within the Members Agreement. To assist the Board in performing these functions and powers, the following sub-committees have been established and the various functions and powers delegated:



Audit and Assurance



Business Advisory



Business Recovery & Insolvency



Corporate Finance



Information Technology



Marketing



Taxation



Wealth Management

A representative from each office is entitled to have a member on each of these sub-committees. Each sub-committee has a chairperson, who is required to report up to the Board on a regular basis and various matters set out within the Members Agreement.

The PKF Australia Chairman also attends sub-committee meetings.

International network

The Firm is a member firm of the PKF International Limited (PKFIL) network of separately owned firms. Globally, PKF consists of 530+ offices worldwide, operating in 150 countries, across five regions.

The Firm does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms within PKFIL. PKF Newcastle & Sydney is a separate legal entity to all other PKFIL network firms and accordingly is not responsible for the decisions and actions made by other PKF network firms.

The network formed by PKFIL (the Licensor) and the member firms (the Licensees) is regulated by adherence to an Operating Licence Agreement (OLA) between the Licensor and individual Licensees. The form of the OLA authorises the Licensee to use the PKF name as defined under specific circumstances, under specific conditions, for specific purposes (The Business) and in a specific territory (The Territory), in consideration for which, the Licensee pays a royalty and Licence fee to the Licensor.

50

years' experience in Australia

16

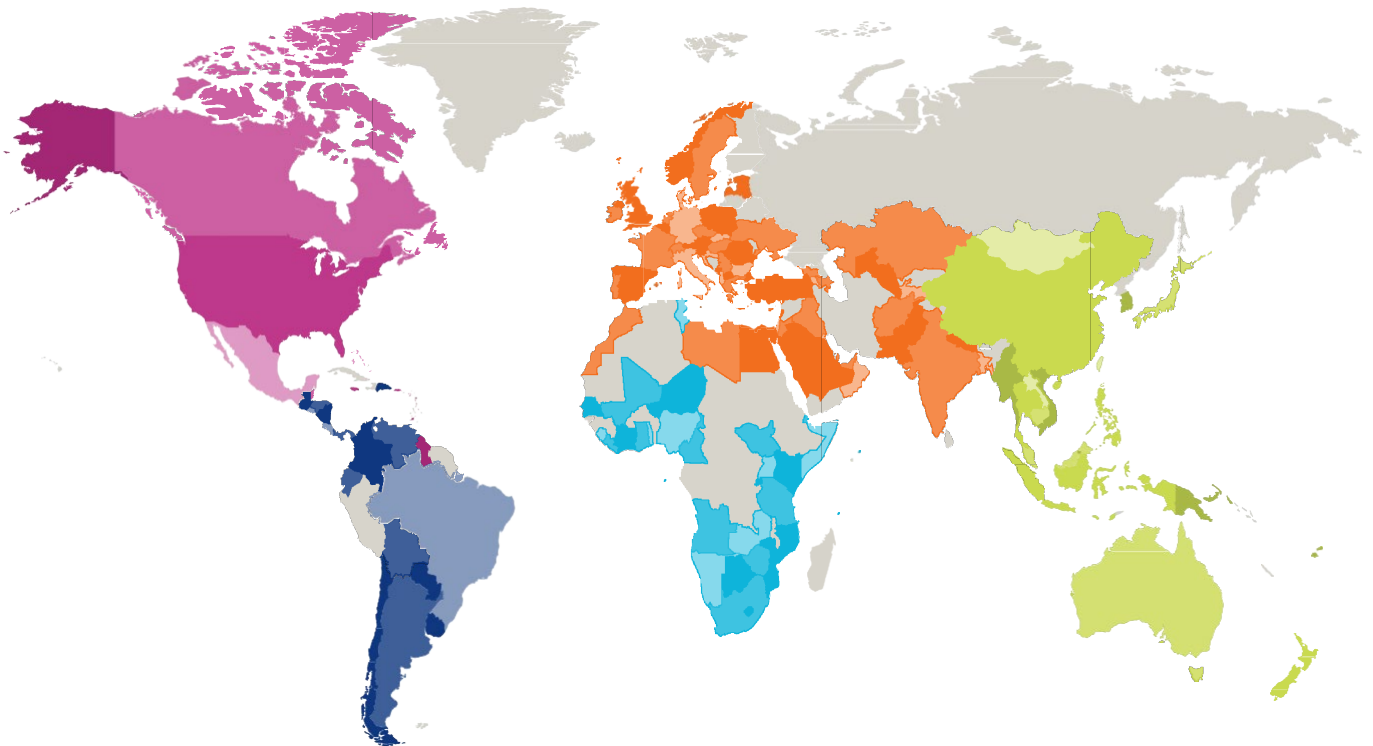
offices across Australia

10th

largest accountancy network in Australia

800

people in Australia





PKFIL is a company registered in England and limited by guarantee (registered number 03816253). The Company's Articles of Association require a Board of Directors who conducts the business of the Company. The Board authorises recruitment of PKFIL's staff, authorises a number of international committees, divides the member firms into geographical regions, and sets an annual licence fee for the member firms within the network.

Each licensee is separately owned. Contractual relations are only formed between a client and the member firm engaged by the client and no other member firm may be held liable. PKFIL has no financial or management interest in any member firm.

None of the directors of PKFIL has a financial or management interest in any member firm other than his or her own.

The PKFIL Board comprises at least one member from each geographical region and each region has a Board.

There are two international committees responsible for professional and practice standards being:

- **International Professional Standards Committee (including Assurance)** - this establishes the minimum professional standards to be met by member firms and conducts a global quality review programme. It also promotes audit materials and capabilities as well as organising audit and accounting events.
- **International Tax Committee** - this promotes the development of tax capabilities on a global basis and organises tax events.

A number of additional practice area committees operate regionally and internationally.

Details of member firms are set out in the PKFIL directory and on the website www.pkf.com.

System of quality management

PKF Newcastle & Sydney, together with the PKF International Network, has reviewed and updated the firm's system of quality management (SOQM) to comply with the requirements of ASQM.

ASQM 1 applies to all firms who perform audit, reviews of financial statements and other assurance/related service engagements.

Ultimate responsibility and accountability for the effective operation of the SOQM lies with the Managing Director, Bob Bell, of the firm who is supported by his Lead Audit Partner, Clayton Hickey, who has operational and administrative responsibility for the effective operation of the SOQM.

The SOQM is designed to operate in a continuous and iterative manner and is reviewed and updated annually.

The Firm's SOQM addresses the following eight components:

1. The firm's risk assessment process

The firm has developed its SOQM including the identification of quality risks, objectives and responses to these risks to ensure it provides reasonable assurance to meet the requirements of ASQM1.

The fundamental response to the quality risks lies within the firm's policies and procedures which are set out in the Firm's Quality Management Manual.

ASQM1 requires that an annual evaluation of the SOQM is undertaken. This was completed and signed off for the period ending 2024. This year's evaluation is underway and is planned for sign off by the 30 November 2025.

The Firm's SOQM and how it complies with the requirements are detailed below.

2. Governance and Leadership

The overall responsibility for the Firm's system of quality management has been accepted by the Managing Partner, Bob Bell, supported by the Audit Partners of the firm. The Firm has documented the above SOQM within the Firm's quality management manual/set of policies and procedures. This includes the requirements as set out in ASQM 1. The partners reinforce their commitment to quality management and a review of these policies and procedures is in the process of being conducted for the year, this will be reported on in next year's transparency report.

The Partners' commitment to quality within these standards is reinforced to staff through the following:



- Team members' annual performance reviews include an assessment on their commitment to quality.
- Policies and procedures are reviewed to ensure compliance.
- Clear messaging that quality cannot be compromised.
- Ongoing training to ensure quality is maintained.
- Active participation in training sessions held internally and attended externally is encouraged.

3. Relevant ethical requirements

The Firm's professional standards note covering independence sets out the following:

- Adherence to the APES 110 Code of Ethics (Including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APESB) takes precedence over commercial considerations.
- Before accepting any new engagements from both new or existing clients, partners and staff must take reasonable steps to identify circumstances that could pose a conflict of interest both within the firm and the PKF Network.
- Conflict of interest checks within the PKF network must include a review of the PKFI Transnational Entities database to establish if any network firm has an existing relationship with the new or existing clients.
- Independence in respect of audit assignments is required to be confirmed at the start of the assignment and reconfirmed at the end of the assignment by all engagement team members.
- All members of the Firm are required to complete an annual independence declaration including freedom from conflicts of interest and prohibited investments.
- Partners of network firms are required to complete a prohibited securities declaration annually.

The requirement to comply with the Code of Ethics and the APESB's Professional Standards forms part of the employee contracts of employees.

4. Acceptance and Continuance of Client Relationships and specific engagements

The firm has detailed procedures covering the acceptance and continuance of client relationships and new specific engagements. This includes conducting an independence check throughout the PKF Australia network for all Public Interest Entities (PIE) tenders and proposed appointments.

For all PIE's, a comprehensive client acceptance form must be completed prior to acceptance of an appointment.

This requires identification of the prospective client, an assessment of the Firm's independence and conflicts of interest, and an assessment of whether the firm has the requisite skills and resources to carry out the engagement and an assessment of the risk the prospective client would present to the Firm.

Conflict of interest checks are completed prior to preparing a proposal for a potential new client or before agreement for the provision of a new service to an existing client. The checks include a consideration of whether the entity is a transnational entity, a public interest entity or a listed entity. Transnational entities are those entities whose financial statements may be relied upon outside the audited entity's home jurisdiction for the purposes of significant lending, investment or regulatory decisions. A database of such entities is maintained by PKFI to enable identification of those entities where another network member firm provides services to that entity.

Upon acceptance of a new client or a specific engagement from an existing client, the Firm issues a detailed engagement letter for agreement by the client. This includes the nature of the assignment and the Firm's standard terms of business. Audit engagement work commences after these procedures have been completed.

5. Resources

The Firm has established policies and procedures to ensure quality objectives relating to obtaining, developing, using, maintaining, allocating and assigning resources in a timely manner to enable the design, implementation, and operation of the SOQM. It includes technological, intellectual and human resources, and addresses the use of service providers.

The firm ensures its commitment to client service, high professional and ethical standards, covering objectivity, integrity and independence is achieved through these policies and procedures.

The firm develops the capabilities and competency of its staff through a variety of methods which may include formal training courses, conferences, webinars, workshops or seminars.

We expect, at a minimum, that professional personnel meet the professional development requirements of the CAANZ. A summary of these requirements is as follows:

- The undertaking of CPE to achieve a minimum of 120 CPE hours over a three-year period.
- At least 20 hours must be completed annually.
- Over the three-year period, a maximum of 30 hours technical reading may be claimed as CPE.

6. Engagement performance

This component deals with quality objectives related to the Firm's processes of ensuring the promotion and support of consistent performance of quality engagements, including through direction, supervision and review, consultation, and differences of opinion. It includes how the Firm supports engagements teams in exercising professional judgement and, when applicable to the nature and circumstances of the engagement, exercising professional scepticism.

The firm's procedures for engagements are set out in the firm's quality management policies. In respect of audit and assurance engagements the firm uses a mixture of proprietary audit and developed programs.

Internally recognised audit software, CaseWare, is used to ensure audit engagements comply with Australian Auditing Standards and Ethical Requirements.

All professional work is subject to review by senior audit personnel and engagement partners, with clear guidelines applicable for engagements that require a second partner review or the use of external experts where required.

Adequate supervision is provided to staff in performing their tasks through the following:

- All team members have direct access to Engagement Partners.
- In-charge auditors meeting with Engagement Partners for one-on-one consultations.

Partners and managers are constantly monitoring Real-time work in progress compared to the budgeted time agreed during the planning stage of the engagement.

7. Information and communication

This component deals with quality objectives related to obtaining, generating, or using information regarding the SOQM, and communicating information within the firm and to external parties on a timely basis to enable the design, implementation, and operation of the SOQM.

8. Monitoring and remediation process

The SOQM is evaluated annually to assess the design, implementation and effectiveness of the system. At an engagement level each audit engagement is reviewed and monitored according to the Firm's policies and procedures.

Engagement quality reviews (EQR's) are performed on all public listed and disclosing entity client audit engagements. An EQR must be performed by a registered company auditor, either from within the Firm, one the PKF network firms or other contracted firms.

Each audit engagement partner is subject to a cyclical file inspection review conducted by an appropriate external reviewer.

Where recurring themes are identified through the monitoring process these are responded to in such a way that ensure these matters are remediated on a timely basis.

One of the ways this may be done is through a root cause analysis, where based on the information available, and investigation into the root cause(s) of identified deficiencies is performed by relevant individuals, exercising professional judgement, to understand the underlying circumstances that caused the deficiency and to enable the firm to evaluate the severity and pervasiveness of the identified deficiency to ensure appropriate remediation.

Statement of effectiveness

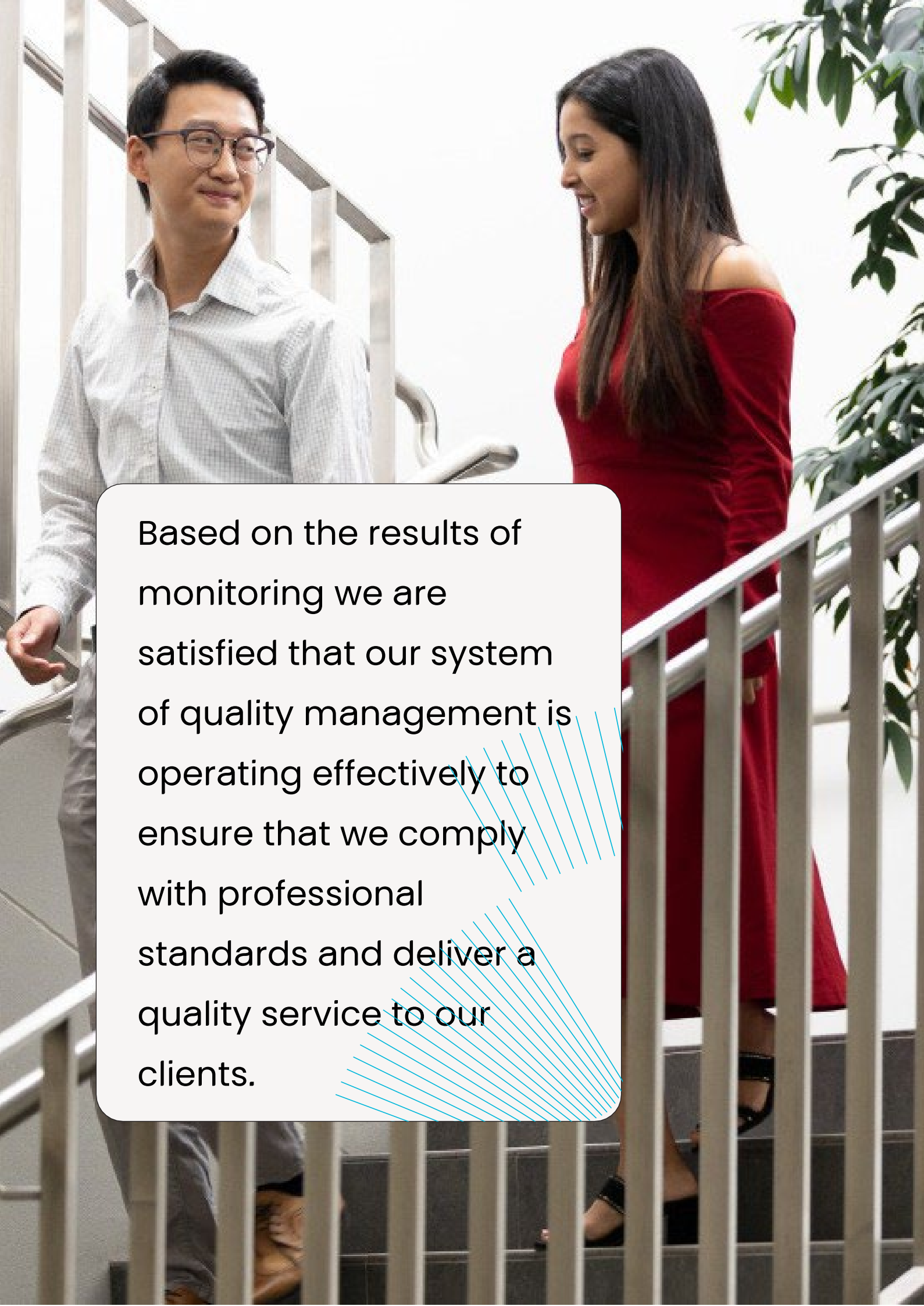
The SOQM described in pages 10 to 12 provides a reasonable basis for ensuring that all audit and assurance engagements are performed in accordance with the professional standards and applicable regulatory requirements.

The results of our internal monitoring program provide me a basis to conclude that the SOQM was operating effectively for the year ended 30 June 2025.

Bob Bell

30 October 2025



A man with glasses and a white shirt is walking down a staircase, looking towards a woman in a red dress who is walking up. They are both smiling. The background is a bright, modern interior with a white railing and a potted plant.

Based on the results of monitoring we are satisfied that our system of quality management is operating effectively to ensure that we comply with professional standards and deliver a quality service to our clients.

Independence procedures and practices

The Firm's Quality Management Manual sets out the independence and ethical requirements and procedures in relation to audits.

This reflects and satisfies the requirements of the APESB's Code of Ethics and Professional Standards and an exercise has been carried out to map the manual against these requirements.

The audit software, Caseware, also has comprehensive programs and directions in relation to independence. The Firm's procedures cover:

- Integrity, objectivity and independence.
- Financial, business, employment and personal relationships.
- Long association with the audit engagement.
- Fees, remuneration and evaluation policies, litigation, gifts and hospitality.
- Non-audit services.

Integrity, objectivity and independence

The Audit Partner is ultimately responsible for making decisions on independence and objectivity matters. Where a threat to objectivity is identified, the Partner considers whether safeguards can be introduced such as having different types of work for the same client done by different teams or introducing an engagement quality control reviewer. If the safeguards are determined to be sufficient, to reduce the threat to an acceptable level, then the relevant issue can be overcome.

Partners are expected to report all threats to objectivity and independence to those charged with governance of the client with details of the relevant safeguards where appropriate and this is recorded on the audit file.

Governance is further managed by regular partner meetings.

Financial, business, employment and personal relationships

Partners and their immediate families are prohibited from having a financial interest in an audit client of the Firm. Members of staff and their immediate families cannot have a financial interest in clients where they have an involvement in the audit.

Neither the Firm nor partners, staff and their immediate families can enter into a business relationship with an audit client of the Firm, unless this involves the purchase of goods and services in the ordinary course of business, on an arm's length basis and the value is not material to either party, or the relationship is clearly inconsequential to both parties.

Partners and staff must report to the Managing Director where a member of their immediate or close family has an employment relationship with an audit client. Where a Partner leaves the Firm to join his or her audit client, unless two years have elapsed since the last audit report was signed, the Firm must resign from the audit engagement.

Long association with the audit engagement

In the case of listed companies the Partners must rotate from the audit after five years.

A rotation database is maintained holding a record of every public interest entity client. The database is reviewed by the audit partners on a regular basis.

Fees, remuneration and elevation, policies, gifts and hospitality

The Firm's policies specifically prohibit partners and staff from receiving incentives or rewards for selling non-audit services to audit-clients.

Contingency fees are prohibited for certain types of work such as audit and where they may rely on novel or contentious matters relating to the audit. There are also restrictions on the potential quantum of fees so they cannot individually be material in a financial sense to the Firm.

Gifts and hospitality may not be accepted. Hospitality is provided to clients and on an ad hoc basis. Such hospitality is immaterial in nature.

Non-audit services

The overriding consideration in deciding whether the Firm can properly provide a non-audit service to an audit client, is whether it is probable that a reasonable and informed third party would regard the objectives of the non-audit service as being consistent with the objectives of the audit of the financial statements.

The Firm has a policy that whenever a partner or member of staff is contemplating providing non-audit services to an audit client, the audit partners are informed promptly, so that the audit partners can make an assessment of the relevant threats and safeguards.

Documentation

Ethical and independence considerations are documented at the following stages:

- The client acceptance and continuance stages.
- The planning stage of each audit engagement.
- The conclusion of each audit engagement.

The Firm reports to those charged with governance of audit client's incorporate independence confirmations. Specific management issues are then incorporated into closing reports to audit clients.

A prescribed list is maintained of all entities where investment is prohibited because of client relationships. This list is accessible to all staff and is applicable across the PKF Network.

Conflicts of interest

The Firm's system for identifying conflicts of interest is built around internal database searches and e-mail notifications of potential engagements to all Partners and staff.

Procedures for dealing with actual and potential conflicts are set out in the Quality Management Guide and the PKF International Professional Standards Manual, and include notifications of potential conflicts to interested parties, establishing safeguards, and not proceeding with the potential engagement.

A register of business relationships with clients is maintained and reviewed annually by a specified Partner and its accuracy confirmed each year by every Partner.

Monitoring and review

Procedures are in place to monitor compliance with the Firm's independence requirements. As part of their review procedures, the Managing Director reviews and checks compliance with the Firm's independence procedures. The audit quality assurance programme considers adherence to the Firm's ethical and independence requirements on each engagement selected for review. Additionally an annual declaration is made by every partner and member of staff confirming compliance with all ethical and independence requirements.

During the 2025 year, the Firm carried out a review of its independence procedures with satisfactory results.



External audit monitoring

PKF (NS) A&A during the year ended 30 June 2025 comprised the following significant principals:

Equity Partners

Clayton Hickey

Registered company auditor, FCA

Kym Reilly

Registered company auditor, CA

Paul Pearman

Registered company auditor, CA

Scott Tobutt

Registered company auditor, CA

Salary Partner

Kevin Helmers

Registered Company Auditor, CA

David Hutchison

Registered company auditor, CA

As a member of the PKF Network, the Firm is subject to audit engagement review by an independent PKF peer reviewer on an annual basis. The Firm is also subject to an overall quality peer review on a bi-annual basis.

Partner remuneration

Equity Partners are remunerated out of the profits of the Firm receiving percentage share of the profits based on equity holdings, which are drawn down as available.

Salary Partners are remunerated based on a fixed salary and other incentives.

Having regard to auditor independence, partners are not incentivised to gain non-audit work from audit clients.

Financial information

	Year ended 30 June 2025 \$000s
Total PKF NS Fees	\$62,444
PKF(NS) A&A fees	\$20,947
PKF(NS) A&A External audit fees	\$17,250
Fees for non-audit services to financial statement audit clients	\$7,835

The Firm is regulated in the conduct of its services by:

- The Chartered Accountants Australia and New Zealand (CAANZ). The Firm is subject to periodic audit and whole firm practice assurance reviews, the last of which was carried out in 2025.
- The Australian Securities and Investments Commission (ASIC). ASIC performed a detailed review on a significant listed client's file and the Firm's quality systems for the year ended 30 June 2021 in May 2022.

Public interest entities audited by the Firm

The following is a list of public interest entities which we were appointed as external auditors during the year ended 30 June 2025:

Visionflex Group
Limited

Landsdowne
Investment Company

Camplify Holdings
Limited

Cessnock District
Health Fund Limited

Cleanspace
Holdings Limited

Dawney & Co
Limited

Fat Prophets Global
Contrarian Fund

Inventis
Limited

Florin Mining
Investment Company
Limited

GreenHy2
Limited

Horizon Credit
Union Limited

Ignite
Limited

Illuminator
Investment
Company Limited

IPD Group
Limited

Kip McGrath Education
Centres Limited

Lode Resources
Limited

Northern Inland
Credit Union

NSX
Limited

Pacific International
Insurance Pty Ltd

Phoenix Health
Funds Limited

Pritchard Equity
Limited

RAM Essential
Services Property
Fund

Swoop Group
Limited

The Betmakers
Holdings Limited

White Energy
Company Limited

Winpar Holdings
Limited

Connect with us

Propel your future



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Kevin Helmers
Audit and Assurance Partner
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PKF Sydney/Newcastle is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).