

Transparency report

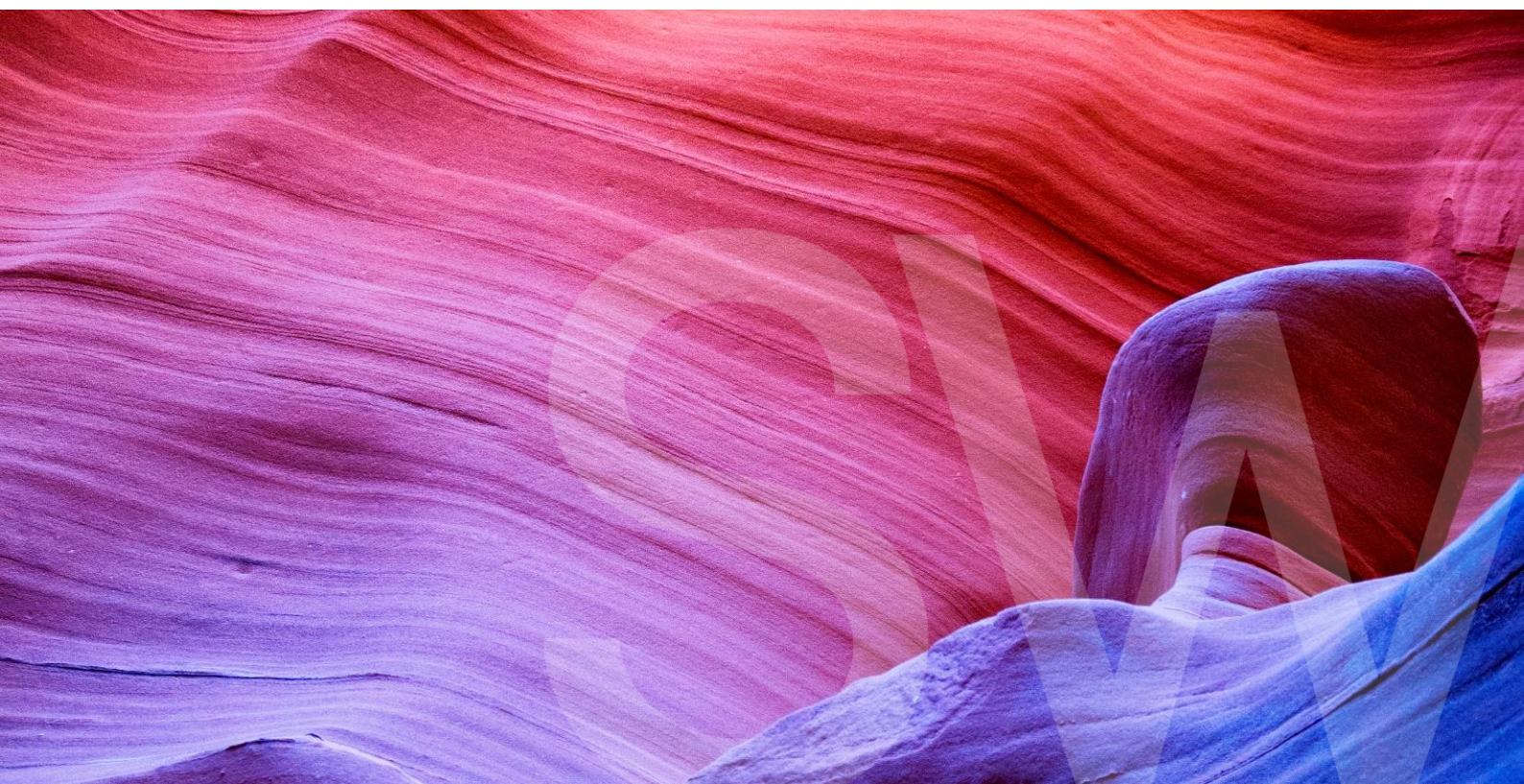
For the year ended 30 June 2021



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The Transparency Reporting Year is from 1 July 2020 to 30 June 2021



About SW

SW is an Australian owned advisory and accounting firm with an 80+ year history that understands relationships make all the difference in delivering great outcomes.

10,000

people globally

16 + 110

SW network locations combined with Praxity Alliance locations

80

offices globally

300

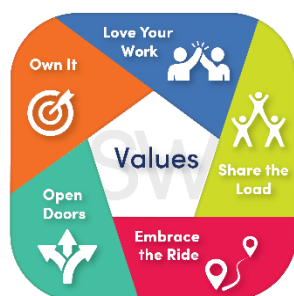
people nationally

85

years Australian owned

\$533m

worldwide revenue 2020 (USD)



Purpose | To create opportunities throughout Australia and Asia for our clients and our people

Values | We are a values led firm with these values embedded into our everyday behaviour and language and our unique to our people. They also reflect the manner in which we work with you.

We have 300+ people across four locations, and are ranked 22nd largest firm by revenue in the 2021 AFR Top 100 Accounting Firms. Of all national practices in Australia, we rank 10th.

As a member firm of SW International, one of the world's leading member organisations of independently owned and managed accounting and advisory firms, we also have access to professionals across the globe to support our clients in their global aspirations.



Services

Advisory Services

Financial

- Acquisition and investments
- Capital raising
- Due diligence
- Financial modelling
- Grants and incentives
- IARs and IERs
- IPOs
- Merger integration
- Private wealth advisory
- Transaction advisory services
- Valuations

Strategic, operational and compliance

- Business and strategic planning
- Business planning tax advice
- Cloud accounting
- Compliance services
- Corporate advisory services
- Corporate governance
- Data analytics
- Information technology risk and security
- Outsourced accounting solutions
- Risk management

Assurance

- Compliance audits and reviews
- Expert accounting and audit opinions
- External audit
- Internal audit
- Review of financial reports
- Systems and controls reviews
- Technical IFRS, accounting advice and training

Tax

- Corporate tax risk management
- Employment taxes (FBT, superannuation and payroll)
- Expatriate taxes and global mobility
- Fuel tax credits
- GST and indirect taxes
- International tax
- Remuneration and benefits (share schemes)
- Research and development tax incentive
- Tax structuring
- Transfer pricing

Awards



beaton Client Choice Awards

Finalist Best Accounting Firm 2018, 2019, 2020 & 2021

Finalist Most Innovative Firm 2020 & 2021

Top Intern Program

Ranked in the top 10 for 2017, 2018, 2019 & 2020 (AAGE)

GradConnection & AFR Top 100 Graduate Employers

Listed in the top 100 in 2018, 2019 & 2020

Top Graduate Employers

Ranked in the top 35 in 2017, 2019, 2020 & 2021 (AAGE)

Legal structure and corporate governance

Legal structure

ShineWing Australia (SW) operates through a number of practice entities as follows:

- ShineWing Australia
- ShineWing Australia Pty Ltd
- ShineWing Australia Wealth Pty Ltd
- ShineWing Australia Securities Pty Ltd
- ShineWing Australia Corporate Finance Pty Ltd
- ShineWing Australia Sustainability Pty Ltd

All entities are privately owned and all shareholder owners are associated investment entities of the practicing directors of the firm. Audit services are provided by ShineWing Australia, a partnership, comprising all practicing directors of ShineWing Australia Pty Ltd. Audit services are conducted by designated audit partners, all of whom have the required qualifications and registrations.

Corporate governance structure

ShineWing Australia has a Governance Charter that outlines the roles and responsibilities of the Board of Directors and Executive Board along with the roles, function and areas of responsibility in matters relating to all aspects of the strategic direction and day to day operations of ShineWing Australia.

Executive Board

The Executive Board comprises:

- the Managing Director
- an independent Non-Executive Chair
- at least three other Directors

The Executive Board meets six times per year with meetings chaired by the Non-Executive Chair. The Chief Operating Officer is invited to attend these meetings as a guest. Others may be invited to attend as guests as required.

Role of Executive Board

The role of the Executive Board of ShineWing Australia is to serve the interests of all its stakeholders, provide strategic direction for members and manage risks associated with the firm.

The Executive Board has its own Charter which outlines its primary purpose/s and details relevant duties and responsibilities which align with good governance.

The Executive Board has responsibility for:

- Confirming effective risk management as a firm wide responsibility; in line with the requirements of APES 325 *Risk Management for Firms*.
- Establishing ShineWing Australia's risk culture and defining its appetite for risk which aligns with the ShineWing Australia Board's vision and mission and is

sufficiently adaptable.

- Identifying, assessing and managing risks, and controls designed to respond to those risks, to achieving ShineWing Australia's organisational objectives and strategic goals.
- Ensuring that an annual review program of the firm's audit engagements is completed on a timely basis.
- Enabling ShineWing International Limited to meet their requirements under IFAC whereby ShineWing Australia has been monitored in respect of its compliance with ISQC 1 or regional equivalent (i.e. ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information*) enabling the firm to meet the requirements of professional bodies and regulators.
- Reporting in general terms on the progress and outcomes of the review program and by exception, on 'failed' reviews or other matters as deemed necessary by the Executive Board, and providing recommendations which promote continuous improvements in quality.
- Considering the adequacy and effectiveness of policies and procedures to manage audit regulatory risks facing ShineWing Australia.
- Developing and monitoring the firm's systems, controls and procedures for compliance with legal and regulatory obligations with respect to external audit engagements.
- Promotion of continuous improvement, and fostering adherence to the firm's policies, procedures and practices with respect to external audit engagements.
- Creating a forum for the tabling of external audit related issues, challenges, opportunities and sharing of technical knowledge, experiences and resources between offices of the firm.
- Sharing external audit marketing strategies and initiatives and identifying opportunities to grow the firm's fee base and brand awareness.

Executive Committee

- The Executive Committee comprises the Managing Director, Divisional Heads and the Chief Operating Officer.
- The Executive Board delegates the day to day responsibility for the running of the Firm to the Managing Director, who then delegates certain responsibilities to the Executive Committee.
- The Executive Committee meets on a monthly basis with meetings chaired by the Managing Director. Guests may be invited to attend as required.

Risk and quality committee

The Risk and Quality Committee is an advisory committee reporting to the Executive Board charged with the following:

- In consultation with key stakeholders, identify and ensure (via appropriate oversight) that adequate safeguards are in place to manage Firm Risks
- Ensuring adequate policies, procedures and supporting systems are in place to ensure adherence with regulatory requirements for but not limited to:
 - Client Acceptance
 - Independence
 - Quality Control
 - Ensuring internal reviews on both assurance and non-assurance engagements are occurring in line with Firm Policy
 - Ensure appropriate induction, education and training of policies and processes is occurring
 - An escalation point for any risk or quality control queries
 - Ensuring compliance with regulatory bodies requirements (ASIC, ASX, PCAOB, SEC, CAANZ and the HKFRC).



The Executive Board and the Executive Committee may choose to refer matters within this scope to the Risk and Quality Committee where required.

The Risk and Quality Committee will undertake the necessary processes to deliver the above outcomes on behalf of, and in conjunction with the Executive Board and the Executive Committee.

Basis for profit share allocation



The profit share of ShineWing Australia Pty Ltd is allocated as follows::

- All directors and their associated investment entities receive a fixed draw component based on a defined banding level
- All directors and their associated investment entities participate in a profit share allocation based on the performance of the business area for which the relevant director is responsible compared against their individual and divisional performance criteria
- All equity holders receive a distribution based on their relevant equity holding

The Executive Board oversees the assessment of performance to ensure recognition of individual business performance and a fair and equitable distribution of the profit share allocation.

The Executive Board also recommends movements to an individual partner's band level and equity holding based on sustained performance.



ShineWing International network

ShineWing International is one of the world's leading organisations of independently owned and managed advisory and accounting firms. ShineWing Australia entered the ShineWing International Limited network on 1 February 2015.

In 2019, ShineWing International was ranked by the International Accounting Bulletin in the Top 20 firms in the world and was recognised as the fastest growing network.

Each member firm of ShineWing International Limited is separate and independent from both ShineWing International Limited and other member firms. Member firms of ShineWing International Limited do not share their respective profits or losses, they are not under common ownership or control and each member firm appoints its own management.

ShineWing International Limited is a company incorporated in Hong Kong with limited liability. The company does not provide professional services in any jurisdiction. Its role is to promote the coordination of member firms' professional strategies. ShineWing International Limited monitors the adherence by member firms to the quality obligations set by ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Service Engagements*. They also assess the suitability of candidate firms for admission and the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards).

All prospective member firms must obtain approval from ShineWing International Limited prior to acceptance into the ShineWing International Limited network. If the approval process is successful, the prospective member firm must enter into a Member Firm Agreement with ShineWing International Limited, whereby the new member firm agrees to be bound by the ShineWing International Limited Members' Agreement.

Member firms are expected to comply with applicable regulatory and professional obligations including, where relevant, those established by the International Federation of Accountants (IFAC) and its affiliated bodies.

Membership also requires compliance with various administrative obligations.

Concerning the delivery of assurance services, member firms are subject to periodic monitoring visits. The nature of monitoring procedures gives recognition to the professional environment in which individual firms operate. Equivalent procedures are applied where firms are candidates for admission. Where deficiencies are identified at a member firm, remedial recommendations are made. If deficiencies are not resolved, then ShineWing International Limited may determine that the firm be excluded from membership.

Neither ShineWing International Limited nor any role within it carries any executive authority over the operations of individual member firms. Their membership of ShineWing International Limited should not be construed as constituting or implying any partnership between them.

Praxity International alliance

ShineWing International and its members are part of the Praxity Alliance.

Praxity is an alliance of global independent accountancy, tax and business consulting firms with more than 850 global member offices and in excess of 60,000 professionals.

Praxity is the world's largest alliance of independent accounting firms and is ranked seventh in the International Accounting Bulletin (IAB) League Table of international accounting networks and associations. Operating in over 110 countries across the world, Praxity has a strong presence throughout the USA, Europe, Asia-Pacific, Africa and The Middle East regions.



Clients of ShineWing Australia

Audits conducted in the financial year ended 30 June 2021 of listed companies, listed registered schemes and any other entities as required by the *Corporation Act 2001*.

Entity Name	ACN/ASRN/ARBN	Exchange	Ticker Code
CPT Global Limited	083 090 895	ASX	CGO
GBM Gold Limited ^	119 956 624	ASX	GBM
Harris Technology Group Limited	085 545 973	ASX	HT8
Powerwrap Limited *	129 756 850	ASX	PWL
Probiotec Limited	075 170 151	ASX	PBP
Rey Resources Limited	84 108 003 890	ASX	REY
Sagalio Energy	152 971 821	ASX	SAN
Traffic Technologies Limited **	080 415 407	ASX	TTI
Yancoal Australia Ltd	111 859 119	ASX, HKEx	ASX: YAL, HKEx: 3668

* Delisted on 6 October 2020

^ Delisted on 13 October 2020

** Resigned on 15 June 2021

Financial Information of ShineWing Australia

Revenue from services		
Services Provided	2021 (\$'000)	2020 ^ (\$'000)
Audits and reviews of financial statements	14,320	13,751
Non-audit services to audit clients	5,327	6,166
Non-audit services to non-audit clients	39,292	38,499
Total fees	58,939	58,416

^ Comparative figures are restated in order to comply with the current period's presentation of the financial information for non-audit services to audit clients and non-audit services to non-audit clients

Quality systems

As a firm that undertakes audit and other assurance engagements, we are required to establish and maintain a system of quality control that includes policies and procedures in accordance with the requirements of ASQC 1.

In the current environment there is a focus on the key drivers of audit quality across the audit practice of the firm, including:

- Culture of and commitment to audit quality
- Skills and competencies
- Effectiveness of audit processes
- Factors outside the control of auditors
- Root cause analysis from the results of peer inspection reviews
- Greater investment in technical resources to support the audit practice
- Relevant ethical requirements.



Culture of and commitment to audit quality

We recognise the importance of a diverse mix of partners and senior executives to ensure the best quality service for all our clients. What binds such a diverse group together are the shared values that the quality of our audits is fundamental to the ongoing success of our business. This notion is embedded throughout our documented policies and procedures; and permeates the whole firm.



Skills and competencies

Our diverse mix of partners and senior executives enables us to meet the challenges of operating in an increasingly challenging and ever evolving profession. Our audits are conducted by individuals who are analytical, rational, critical, technical and sceptical thinkers who have industry specialisations and excellent communication skills.

The firm acknowledges that professional development is an integral part of job satisfaction, workplace productivity, reward and recognition, and is critical to achieving the firm's objectives. A learning and development framework has been established and implemented for all partners and professional staff within the firm designed to provide the best platform to continue their ongoing professional development.



Effectiveness of audit processes

Our risk-based methodology follows a proven structured approach. Our methodology focuses on examining key business processes that are critical to achieving the goals and objectives of our clients. Our audit approach is designed to be closely aligned with the underlying risks of an organisation.

In this way, we focus our risk assessment and related audit activities on each client's risks and how well management addresses those risks. By understanding the underlying risks that impact an organisation's business drivers, we develop a more comprehensive and effective audit strategy that provides our clients with comprehensive risk coverage and increased value.



The Executive Board has considered the effectiveness of the functioning of ShineWing Australia's internal quality control system and considers it has been effective for the period covered by this report.

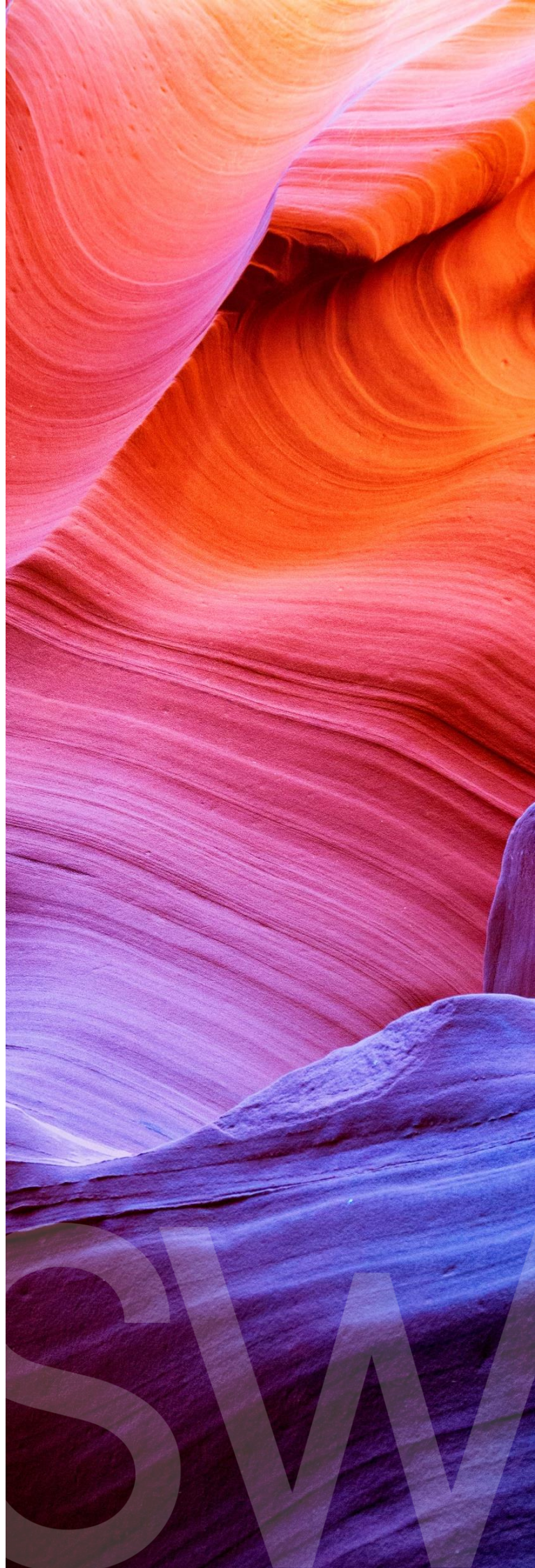
Professional development

Providing ongoing Learning & Development is critical to ensure the needs of the individual, division, office and ShineWing Australia are met.

This is achieved by providing a diverse program offering focussing on personal growth and technical audit updates. Our team receive regular training regarding the ShineWing Australia audit methodology, application of audit tools, updates on auditing standards and their implications, audit risk and engagement quality and relevant ethical requirements.

Other aspects which are included within the report in the *Ethical requirements* section:

- All new partners and professional staff undertake ethics and independence training as part of induction program.
- All partners and staff are provided regular refresher training and updates on their mandatory ethics and independence responsibility.



Audit methodology



The audit methodology adopted by the firm has been developed to comply with Australian Standards of Auditing (ASA's). Our audit methodology is underpinned by CaseWare Working Papers. The audit methodology is continually monitored by ShineWing Australia to ensure compliance with new and emerging audit requirements, including both International Standards of Auditing (ISA's) and ASA's, and its application is subject to ASQC 1 peer inspection reviews.

Greater investment in technical resources to support the audit practice

We have continued to invest in technical resources in Risk Management, Quality Assurance, Audit Methodology and Financial Reporting. These resources are further enhanced by audit service line personnel that have quality focussed roles in support of the entire audit practice.

Factors outside the control of auditors

There are factors that exist in relation to an entity that are outside our control. By obtaining an in-depth understanding of an entity and the environment in which it operates, these factors are able to be identified and assessed as to their risk of material misstatement. The nature and extent of audit procedures undertaken are intrinsically linked to the identification and assessment of such risks.

Ethical requirements

Relevant ethical requirements

The provision of our audit services is subject to our strict policies in respect to maintaining our independence. This is achieved through the application of our Quality Assurance Manual and Independence Policy to ensure the firm's compliance with the requirements of APES 320 *Quality Control for Firms*, the *Corporations Act 2001* (where applicable) and APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code).

The ShineWing Australia Quality Assurance Manual and Independence Policy, including all policies and procedures contained therein, ensures that we are compliant with the requirements of the Code. This is executed via our web-based proprietary platform – Internal Quality Assurance Monitor (IQA Monitor).

The following safeguards are enforced within IQA Monitor to ensure our objectivity is maintained and we are free from conflicts of interest when discharging our professional responsibilities:

- Partners or staff do not act in a managerial or decision-making capacity, and are not involved in processing or originating transactions for our assurance clients
- Where non-assurance services are provided to our assurance clients, we are satisfied that the non-assurance services will not have a material impact on our planned assurance procedures and we will not express assurance on these non-assurance procedures
- Partners and staff involved in the provision of non-assurance services to our assurance clients do not participate in the client's approval or authorisation processes.
- As auditors, direct and material financial interests in our assurance clients or controlled entities and material associates are prohibited. This prohibition extends to:
 - All partners and professional staff of the firm and any superannuation fund, companies or trusts controlled by them
 - The spouse/defacto and dependents of these partners and professional staff
 - Certain other relatives of partners and professional staff who directly provide any professional services to the client and its controlled entities.

The following policies and procedures are undertaken to ensure compliance with our Quality Assurance Manual and Independence Policy:

- Six monthly declarations are signed by all partners and staff confirming they hold no prohibited financial or employment relationships with assurance clients of the firm. Independence declarations are signed by all engagement team members confirming their independence
- Independence declarations are signed by all engagement team members confirming their independence.
- Conflict checks are performed on all new clients to identify any potential conflicts of interest.
- Where non-assurance services are to be provided to an assurance client that might place at risk our audit independence, approval is obtained from the audit partner prior to the commencement of the engagement, to ensure compliance with the requirements of the Quality Assurance Manual and Independence Policy.
- All new partners and professional staff undertake ethics and independence training as part of the firm's induction program.
- All partners and staff are provided refresher training and updates on their mandatory ethics and independence responsibility on a regular basis.
- All clients are entered onto the IQA Monitor client list.
- Review engagement client acceptance checklist.
- A rotation plan for listed audit clients is maintained indicating the date of acceptance of the audit and the name of the partner to whom the audit will be rotated to. This is reviewed and updated every six months.





Monitoring

External accountability and monitoring

ShineWing Australia is subject to inspection of our audit practice and audit files by the following regulators:

- Australian Securities & Investments Commission (ASIC) – Latest inspection 2018.
- Public Company Accounting Oversight Board (PCAOB) – Latest inspection 2019.
- Chartered Accountants Australia and New Zealand (CAANZ).
- Hong Kong Financial Reporting Council.

Internal accountability and monitoring

ShineWing International Limited can review ShineWing Australia's audit files.

Each audit partner is subject to an Independent ASQC 1 peer inspection review coordinated by ShineWing Australia on a regular basis.

As part of our ongoing commitment to quality, every listed audit client of ShineWing Australia is subject to an Engagement Quality Control Review (EQCR) for both the annual audit and half-year review in accordance with ASQC 1.

EQCRs for non-listed entities

Where the audit risk has been assessed as high the audit will also be subject to an EQCR. Some of the risks that may necessitate an EQCR are:

- Where uncertainty around going concern exists
- Where certain types of modified audit opinions are being considered
- In instances where it is required to safeguard against a potential threat to independence
- If the lead engagement partner feels it is necessary

Effectiveness of the internal quality control system

The Executive Board has considered the effectiveness of the functioning of ShineWing Australia's internal quality control system and considers it has been effective for the period covered by this report.

 Take the lead



SW

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ShineWing Australia ABN 39 533 589 331.

Liability limited by a scheme approved under Professional Standards Legislation.

ShineWing Australia is an independent member of ShineWing International Limited.

SW acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.