

Transparency report

For the year ended 30 June 2023



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About SW

SW is an Australian owned advisory and accounting firm with an 85+ year history that understands relationships make all the difference in delivering great outcomes.

12,000

people globally

19 + 120

combined jurisdictions
with Praxity Alliance

95+

offices globally

300+

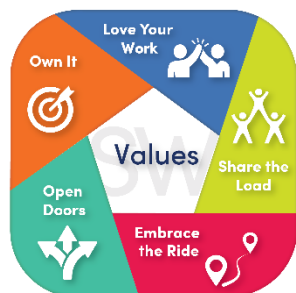
people nationally

85

years Australian owned

\$685.9m

worldwide revenue 2022
(USD)

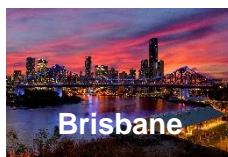


Purpose | Build lasting relationships with our clients and people to achieve shared success

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

We have 300+ people across four locations, and are ranked 22nd largest firm by revenue in the 2022 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.



Brisbane



Melbourne



Perth



Sydney

Services

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

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

Awards



beaton Client Choice Awards
Finalist Best Accounting Firm
2018 – 2023
Finalist Most Innovative Firm
2020 – 2022
Finalist Best CX Firm
2022 – 2023



GradConnection & AFR Top 100 Graduate Employers
Listed in the top 100 in
2018 – 2023

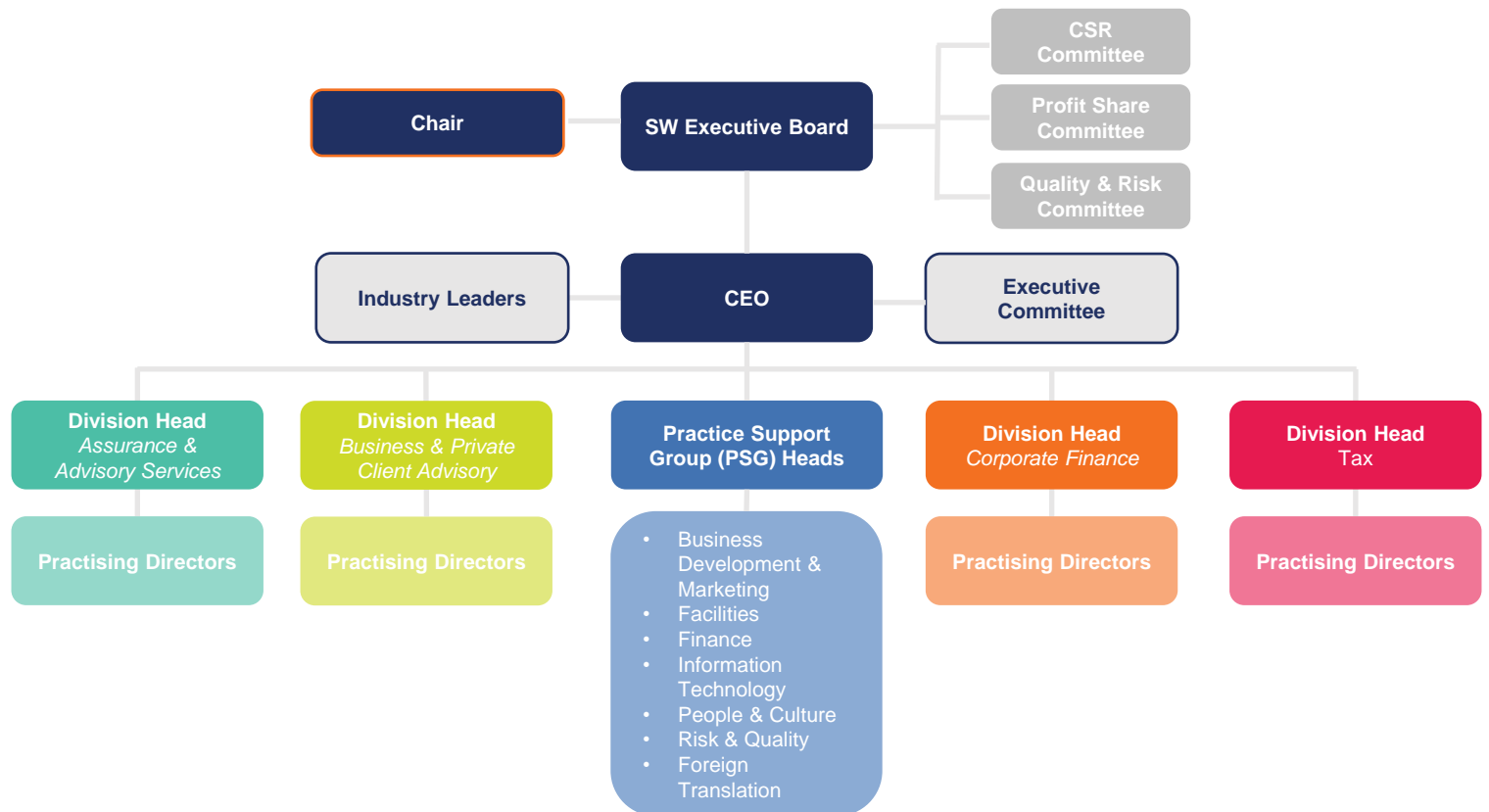


Top Graduate Employers
Ranked in the top 35 in 2017,
2019, 2020, 2021 & 2023
(AAGE)



Top Intern Program
Ranked in the top 10
for 2017 – 2020
(AAGE)

Legal structure & corporate governance



Legal structure

SW Accountants & Advisors (SW) operates through several practice entities as follows:

- SW Audit (up to 1 July 2022 ShineWing Australia)
- SW Accountants & Advisors Pty Ltd (up to 1 July 2022 ShineWing Australia Pty Ltd)
- ShineWing Australia Wealth Pty Ltd
- ShineWing Australia Securities 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 SW Audit, a partnership, comprising all practicing directors of SW Accountants & Advisors Pty Ltd. Audit services are conducted by designated audit partners, all of whom have the required qualifications and registrations.

Corporate governance structure

SW has a Corporate Governance Charter that outlines the roles and responsibilities of the Executive Board and Executive Committee along with the roles, function and areas of responsibility in matters relating to the strategic direction and day to day operations of SW.

Executive Board

The Executive Board comprises:

- the Chair
- the Chief Executive Officer (CEO)
- at least three other Directors (or other individuals) of which 75% or more must be Practicing Directors. Divisional Heads are ineligible to be a member of the Executive Board.

The Executive Board is elected by Practicing Directors.

The Executive Board meets six times per year with meetings chaired by the Chair. Others may be invited to attend as guests as required.

Role of Executive Board

The role of the Executive Board of SW is to serve the interests of all its stakeholders, provide strategic direction for members and manage risks associated with the firm including monitoring quality and risk management.

The Executive Board's primary purpose/s and details relevant duties and responsibilities which align with good governance are outlined in the Corporate Governance Charter.

Legal structure & corporate governance (continued)

Executive Committee

The Executive Committee comprises the CEO and Divisional Heads and Directors as determined by the CEO. The Executive Board delegates the day-to-day responsibility for the running of the Firm to the CEO, who then delegates certain responsibilities to the Executive Committee.

The Executive Committee meets monthly with meetings chaired by the Chief Executive Officer. Guests may be invited to attend as required.

Role of Executive Committee

Managing day to day operational issues and making decisions on management matters not requiring the Executive Board, Practising Director or Shareholder Director approval including:

- Determining policies to run the operations of the organisation
- Ensuring consistent application of Firm policies and frameworks
- Monitoring Practice Risk and Quality, and the Systems of Quality Management under ASQM 1 and APES 320, and
- All other matters required to run the business.



Quality and risk committee

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

- Consultation with key stakeholders, identify and ensuring (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 Management under ASQM 1 and APES 320
- Ensuring internal reviews on both assurance and non-assurance engagements are occurring in line with the requirements of ASQM 1, APES 320 and Firm Policy
- Ensure appropriate induction, education and training of policies and processes is occurring on an ongoing basis to support the Systems of Quality Management requirements of ASQM 1, APES 320 and Firm Policy
- An escalation point for any risk or quality management queries
- Ensuring compliance with regulatory bodies requirements (such as ASIC, ASX, PCAOB, SEC, CAANZ and AFRC etc).

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

SW Accountants & Advisors Pty Ltd profit share 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 performance compared against their individual responsibilities and divisional performance criteria
- All shareholder directors and their associated investment entities receive a distribution based on their relevant equity holding

The Executive Board oversees the assessment of performance to ensure recognition of performance and a fair and equitable distribution of profit. The Executive Committee recommends movements to banding levels and equity holding based on sustained performance, this is approved by the Executive Board. Audit and assurance directors are not remunerated for cross selling Non-Assurance services to their audit and assurance clients.



International networks

ShineWing International Limited (SWI) is one of the world's leading organisations of independently owned and managed advisory and accounting firms. SW entered the SWI network on 1 February 2015. SWI is also a member of the Praxity Alliance.

In Asia Pacific in 2022, SWI was ranked 13th in terms of overall revenue by the International Accounting Bulletin (IAB).

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

SWI 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. SWI monitors the adherence by member firms to the quality obligations set by International Standard on Quality Management (ISQM) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services 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 SWI prior to acceptance into the SWI network. If the approval process is successful, the prospective member firm must enter into a Member Firm Agreement with SWI, whereby the new member firm agrees to be bound by the SWI 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 SWI may determine that the firm be excluded from membership.

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

SWI is a member of IFAC's Forum of Firms which requires members to conduct high-quality international audits.

Australia | Chile | Mainland China | Egypt | Germany | Hong Kong | India | Indonesia | Japan | Macau | Malaysia | Pakistan | Saudi Arabia | Singapore | Spain | Taiwan | Thailand | Turkey | United Kingdom

Praxity International alliance

SWI and its members are part of the Praxity Alliance.

Praxity is an alliance of global independent accountancy, tax and business consulting firms with 817 offices and 71,000 professionals.

Praxity is the world's largest alliance of independent accounting firms and is ranked seventh in the IAB League Table of international accounting networks and associations. Operating in over 120 countries across the world, Praxity has a strong presence throughout the USA, Europe, Asia-Pacific, Africa and The Middle East regions.

Quality systems

As a firm that undertakes audit and other assurance engagements, SW is required to establish and maintain a System Of Quality Management (SOQM) that includes policies and procedures in accordance with the requirements of ASQM 1.



SW's SOQM addresses the following eight components:

The firm's risk assessment process

ASQM 1 requires the firm to apply a risk-based approach in designing, implementing, and operating the components of the SOQM in an interconnected and coordinated manner such that the firm proactively manages the quality of audit and assurance engagements performed by the firm. As such, SW's risk assessment process consists of:

- establishing quality objectives
- identifying and assessing quality risks to the achievement of the quality objectives, and
- designing and implementing responses to address the assessed quality risk.

Identifying and assessing quality risks puts attention on what could go wrong in achieving the quality objectives. ASQM 1 aims to focus the firm on risks that have the greatest impact on achieving the quality objectives, so that those risks are appropriately addressed by SW. A risk qualifies as a quality risk when it meets both of the following criteria:

1. The risk has a reasonable possibility of occurring, and
2. The risk has a reasonable possibility of individually, or in combination with other risks, adversely affecting the achievement of one or more quality objectives.

Responses that are properly designed and implemented to address the quality risks mitigate the possibility that the quality risk occurs, thereby helping the firm achieve the quality objectives.



Governance and leadership

This sets out quality objectives relating to SW's culture, leadership responsibility, and accountability, the firm's organisational structure, assignments of roles and responsibilities, and resource planning and allocation. SW has in place well credentialed directors in the roles of ultimate responsibility and operating responsibility for the SOQM. These directors report to both the Firm's quality and risk committee and to the SW Executive Board.



Relevant ethical requirements

This component addresses quality objectives related to fulfilling relevant ethical requirements by SW and its personnel. It also deals with relevant ethical requirements to the extent that they apply to others external to the firm.

Acceptance and continuance of client relationships and specific engagements

This component details quality objectives addressing the firm's judgments about whether to accept or continue a client relationship or specific engagement. SW have proprietary software SWAccept to assist in managing this process.

Engagement performance

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



Quality systems (continued)

Resources

This component addresses quality objectives related 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 service providers.

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.

The monitoring and remediation process

SW has established a monitoring and remediation process to:

- Provide relevant, reliable, and timely information about the design, implementation, and operation of the SOQM.
- Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis.

External accountability and monitoring

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

- Australian Securities & Investments Commission (ASIC) – Last inspection 2021.
- Public Company Accounting Oversight Board (PCAOB) – Last inspection 2021.
- Chartered Accountants Australia and New Zealand (CAANZ).
- Hong Kong Accounting and Financial Reporting Council (AFRC).

Internal accountability and monitoring

SWI can review SW's audit files.

Each audit partner is subject to an Independent ASQM 1 peer inspection review coordinated by SW on a regular basis.

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

Where the audit risk has been assessed as high the audit will also be subject to an EQCR. All high-risk audit engagements as designated by the head of the Assurance and Advisory Division require an EQCR.

Effectiveness of quality control system

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



Independence 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 ASQM 1, 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 SW 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 SW's proprietary software *SWAccept*.

The following safeguards are enforced within *SWAccept* 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 (NAS) are provided to our assurance clients, we are satisfied that NAS 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 indirect 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
 - Immediate and/or close family members as defined by the Code.

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 on each engagement file.

- Conflict checks are performed on all new clients prior to client acceptance 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 acceptance 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 independence and ethical responsibilities on a regular basis.
- All clients are entered and approved through the *SWAccept* delegation requirements.
- 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 and has been updated for the changes to auditor rotation rules in Australia effective 31 December 2023.



Relevant to audit only:

- Independence sign-off at the planning and completion phases of the audit for all audit engagements
- s307C Independence declarations for *Corporations Act 2001* engagements

How we undertake our audits



The audit methodology adopted by the firm has been developed to comply with Australian Standards of Auditing (ASAs). Our audit methodology is underpinned by CaseWare Working Papers. The audit methodology is continually monitored by SW to ensure compliance with new and emerging audit requirements, including both International Standards of Auditing (ISAs) and ASAs, and its application is subject to ASQM 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 can 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.

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.

Professional development

Providing ongoing Learning & Development at SW is critical to ensure the needs of the individual, and the Assurance & Advisory Division are met.

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

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

- All new partners and professional staff undertake independence and ethics training as part of SW's induction program.
- All partners and staff are provided with regular refresher training and updates on their mandatory independence and ethical responsibilities.



Financial information for SW

Revenue from services		
Services Provided	2023 (\$'000)	2022 (\$'000)
Audits and reviews of financial statements	18,936	15,713
Non-audit services to audit clients	6,867	5,768
Non-audit services to non-audit clients	47,764	42,606
Total revenue	73,568	64,087

Clients of SW

Audits conducted in the financial year ended 30 June 2023 of listed companies, listed registered schemes and any other entities as required by the *Corporation Act 2001*.

Entity Name	Exchange(s)	Ticker(s)/Code(s)
Allup Silica Limited	ASX	APS
CPT Global Limited	ASX	CGO
Harris Technology Group Limited	ASX	HT8
Newmark Property REIT (Stapled Security)	ASX	NPR
Nuheara Limited	ASX	NUH
Phoslock Environmental Technologies Limited	ASX	PET
Probiotec Limited	ASX	PBP
RareX Limited	ASX	REE
Rey Resources Limited	ASX	REY
Sagalio Energy Limited	ASX	SAN
SHAPE Australia Corp Limited	ASX	SHA
Switzer Dividend Growth Fund	ASX	SWTZ
Terragen Holdings Limited	ASX	TGH
Truscott Mining Corporation Limited	ASX	TRM
WCM Global Growth Fund	ASX	WCMQ
Yancoal Australia Limited	ASX, HKEx	ASX:YAL, HKEx:3668

 Take the lead



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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.