

Transparency Report 2025



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INTRODUCTION

VCA's core business remains focused on auditing and accounting. While we offer a broader range of professional services, we remain firmly committed to our foundation. Our core values—integrity, professionalism, and quality—are embedded in everything we do. We recognize the importance of demonstrating this commitment to our stakeholders, and this Transparency Report forms a key part of that communication.

This report provides an overview of who we are, our values, and the policies and procedures we have established to maintain audit quality, including compliance with applicable auditing and ethical standards.

Delivering high-quality audits continues to be our top priority. Central to our mission is serving the public interest by independently assessing risks and identifying opportunities to strengthen trust in businesses and capital markets, thereby supporting sustainable, long-term value creation.

Auditors play a critical role in the effective functioning of capital markets by promoting transparency and reinforcing investor confidence. VCA's reputation is built on delivering high-quality professional audit services with objectivity and integrity to every organization we serve.



Michael Curmi
Managing Partner
30 April 2026

his report outlines our commitment to Sustainable Audit Quality (SAQ), including how we embed professional values across our organization, perform audits, and maintain a robust system of internal quality management. It also highlights our independence practices and our efforts to create long-term value for our people and for society.

Delivering high-quality audits remains our foremost priority. We are continuously focused on enhancing audit quality and safeguarding our independence, guided by both internal and external inspection results. Achieving continuous improvement requires us to critically assess our audit methodologies and challenge existing approaches to audit execution. We do this by carefully evaluating inspection findings and implementing responsive, targeted actions.

The adoption of the International Standards on Quality Management (ISQM 1) has strengthened the firm's approach to managing audit quality. It enables a more proactive framework for identifying, monitoring, and remediating risks to audit quality, while driving ongoing improvements in our quality management processes.

In an environment where trust and confidence in financial reporting are more important than ever, auditors play a vital role in supporting the integrity and stability of capital markets.

FOREWORD FROM THE MANAGING PARTNER

At VCA we continue to aim to do things a little differently; to excel technically and to give our clients a personalized professional service. We are committed to continually provide a professional service always and this is what has earned our respect with our clients and their stake holders, lending institutions and the financial industry at large.

One of our constant priorities is attracting and investing in high calibre and hard-working people while giving them the opportunity to share in the success of the set up. We are strong believers in continuing professional education, and we endeavour to maintain an excellent level of technical know-how by giving our staff the opportunity to further their studies and specialize further in our core services.

Ultimately, quality is at the heart of our business as it underpins our very reputation. VCA operates in an industry where quality, ethics and independence have always been the foundation of its practitioner's credibility. ISQM requires firms to design, implement, monitor, and evaluate the overall system of quality management (SQM) that provides reasonable assurance a firm will meet prescribed quality objectives.

The standard includes more robust requirements for the governance, leadership, and culture of professional accountancy firms, and introduces a risk assessment process for firms to assess risks to achieving quality objectives and design responses that address those risks. It also requires more extensive monitoring of the SQM to identify deficiencies that require corrective actions and to provide the basis for evaluating the overall effectiveness of the SQM.

The VCA approach is to design an SQM that is consistently applied to promote consistent engagement quality and operating effectiveness. This is especially important in a global economy, with freer movement of capital, more complex corporate structures and new forms of ownership, transparency and quality management expectations have also increased in both the world of business and society at large.

The turnover of the firm for FY2025 has increased by 8% when compared to FY2024.



Michael Curmi
Managing Partner
30 April 2026

LEGAL STRUCTURE AND OWNERSHIP

Founded in 1969, VCA is one of Malta's oldest independent accountancy practices, which delivers audit, accounting and tax compliance services to varied customer environments ranging from public-interest entities to Maltese family-run businesses.

VCA, Certified Public Accountants is a civil partnership as registered with the Accountancy Board, Malta (Registration Number: AB/26/84/46).

The partners of the practice during 2025 were:

- **Michael Curmi- Managing Partner and MLRO**
- **Carol Cassar Torreggiani -Accounting and international client services**
- **Alice Losco - Audit Partner**

All the partners of VCA are Certified Public Accountants and have practicing certificates in Auditing issued by the Accountancy Board.

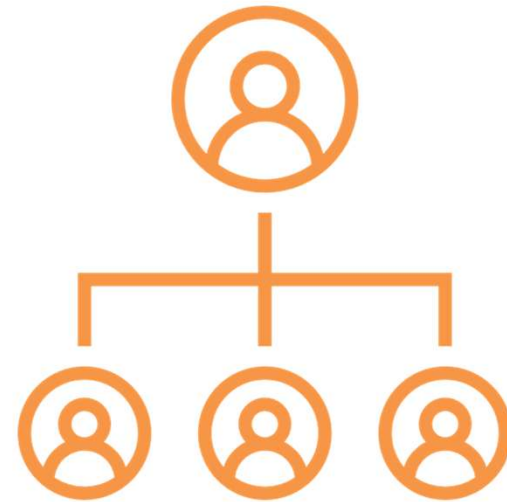
Other than VCA, the following entities are related to the practice: -

- **CAF Consultancy Limited**

The company CAF Consultancy Limited obtained its CSP Class A license in October 2023 and its sole activity will be to assist clients already serviced by VCA to incorporate additional companies if so required.

We conduct all our business from office in Ta' Xbiex, Malta. Further details of our service offerings can be found on our website at the following link:

www.vca.com.mt



GOVERNANCE AND LEADERSHIP

We believe that the tone at the top of any organisation drives the culture of that firm. We believe that a commitment to quality is the most important of these priorities. We recognise that if we do not provide a quality service then, the success of each one of the other strategic priorities would be jeopardised. The Board of Partners of the Firm took several important initiatives in the last year to further promote the quality agenda within our practice. These initiatives include: -

- Regular partner meetings to align the strategic orientation of the firm with the present changes in the economic environment.
- Successful implementation of ISQM 1, with a more proactive and risk-based approach to managing quality at the firm level
- Operational responsibility for the system of quality management within VCA has been delegated to the Compliance Partner, Michael Curmi.
- Appointment of external quality control reviewer, as recognized by the Malta Institute of Accountants to carry out reviews and provide technical advice as necessary.

These measures make it clear that at engagement level risk management and quality management is at the heart of all partners of the audit practice.



The Board of Partners is responsible for governance and oversight of VCA and is responsible for long-term growth, setting the strategic direction, overseeing its implementation, forecasting the firm's future resource needs, monitoring performance, and their roles include:

- Considering and developing strategy proposals
- Strategic and longer term financial and resource planning
- Ultimate responsibility for the firm's financial performance and risk management
- Being responsible and accountable for quality and ensuring the firm's culture and values are appropriate

In addition, the Board of Partners performs an annual review of the effectiveness of the firm's system of quality management as required by ISQM 1.



**MICHAEL
CURMI**

MANAGING PARTNER
AND COMPLIANCE
PRINCIPAL



**ALICE
LOSCO**

AUDIT PARTNER



**CAROL CASSAR
TORREGGIANI**

ACCOUNTING AND
INTERNATIONAL CLIENT
SERVICES

INDEPENDENCE

To ensure independence, our partners and the people assigned to each engagement must be free from prohibited financial interests in and prohibited relationships with our audit clients, their management, directors, and significant owners. The firm's policies and procedures are designed to ensure that independence requirements are adhered to. These include:

- **Leadership commitment to quality**

The firm recognises that quality and commitment to ethical standards is essential to its work and the firm's leadership is committed to a quality-oriented internal culture in which we perform work that complies with professional standards and regulatory and legal requirements, and issue reports that are appropriate in the circumstances. The policies and procedures are designed to assist the firm's leadership in developing and maintaining a culture of quality in the firm and ensuring that commercial considerations do not override the firm's commitment to quality in all its engagements. The ultimate responsibility for the firm's ethics and system of quality management rests with the Managing Partner.

- **Audit partner and senior personnel rotation**

Audit engagement partners cease their participation in the statutory audit of a public interest entity after having served seven consecutive years in an engagement role with respect to the audit of that public interest entity. They do not participate again in the statutory audit of that audited entity before that required cooling-off period has been completed.

Other than audit engagement partners, in assigning the most senior personnel to audit engagements of public interest entities, attention is paid to ensure that a gradual rotation mechanism on the basis of individuals rather than of the entire engagement team is implemented.

The rotation of the engagement partner, members of the audit team and of the engagement quality control reviewer on public interest entities is monitored by the Compliance Partner.

- **Annual confirmations**

Each year, members and staff at VCA sign a written confirmation to identify any potential threats to independence and to evaluate whether one complied with the fundamental principles as identified in the Accountancy Profession Act. All personnel are required to confirm that they do not hold any financial interests in any of the firm's clients which are prohibited by the firm's policies and standards. They are also required to confirm that they do not have any relationships, nor entered into any transactions, with the firm's audit clients that are prohibited by the firm's ethical policies. These confirmations are made upon joining the firm and thereafter on an annual basis.

The declarations also require staff to inform a partner about details of any conflicts of interest between themselves and clients or between clients of which they are aware, or confirmation that they are not aware of any such conflicts of interest situations.

INDEPENDENCE

- **Provision of other non-audit services**

We have policies and procedures to restrict the scope of services that can be provided to audit clients. These require consideration by the audit engagement partner of the threats arising from the provision of non-audit services and the safeguards available to address those threats, thus preventing the provision of non-permitted services to audit clients.

An independence review is carried out annually on every audit both at planning and completion stages to ensure independence at all times. Matters considered include independence of the firm, partner, manager, and all staff involved on the audit.

In addition, at the planning and completion stages of every audit, the engagement team is required to determine whether there are any conflicts of interest which would have an impact on the team's, or the firm's, ability to accept the (re)appointment as auditors and to assess whether this impact can be mitigated by the implementation of suitable safeguards. This review includes a robust assessment of the impact of non-audit services and length of service.

- **Monitoring and Remediation**

Professionals are responsible for making appropriate enquiries to ensure that they do not have any personal financial interests which are prohibited. As part of its annual internal quality management process the firm inspects for compliance with the firm's independence policies and procedures and staff annually sign independence confirmations. Our Compliance Principal monitor compliance with certain policies and procedures, with the findings reported to the Board of Partners.

Our independence is reviewed each year, which includes a review of audit files and consideration of the outcomes of our compliance reviews and cold file reviews. These inform our annual review of policies and monitoring processes.

Instances of non-compliance with quality standards result in remedial actions, which may include performance evaluation, compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from VCA.

- **Root Cause Analysis**

Root cause analysis is a central part of the VCA quality improvement commitment, providing an in-depth assessment of the root causes that underlie an audit's favourable or unfavourable inspection outcome. This enables the identification of the key factors that can impact audit quality and the taking of responsive actions.

VCA's audit practice identifies and evaluates the causal factors when a root cause analysis is performed. Analysing this research enables a better understanding of the drivers behind both positive and negative inspection outcomes. Responsive action plans are developed to address the root causes for significant engagement-related findings. VCA's audit practice reviews the nature and prevalence of root causes to determine if systemic issues exist and if so, further action plans are developed.



OUR PEOPLE

One of the key drivers of quality is ensuring that the right engagement leaders and staff members are assigned to each engagement. Our people management system encompasses the following core areas:

- Recruitment
- Staff development and training
- Engagement assignment
- Performance evaluation and compensation

The firm has a professional team composed of experienced staff as well as young, bright, dynamic, and motivated Certified Chartered Accountants and Bachelor of Arts (Hons) graduates. Our policy is to attract and invest in high-caliber, hardworking employees, offering them the opportunity to share in the success of the firm.

Recruitment

The firm follows a comprehensive recruitment procedure, and references are always obtained for new staff. In addition, the firm conducts an annual assessment of all staff involved in audit engagements. This assessment is carried out through the completion of questionnaires and skill evaluations.

Training is considered an integral part of both the skills assessment review and the recruitment process. Based on these evaluations, the firm identifies and implements appropriate training programs to support staff development.

Staff development and training

We are committed to continuous learning and provide opportunities to support our professionals in meeting both their continuing professional development (CPD) requirements and their personal development goals. Individual training needs are assessed and monitored through job feedback and appraisal meetings. In addition, we gather feedback from the audit department to identify areas where further training would be beneficial. This information is used to design and deliver targeted training sessions, ensuring that development needs are effectively addressed.

Continuing education is key to maintaining the highest professional standards. This is achieved through:

- Organising structured in-house training courses, which are mandatory; and
- Encouraging staff and partners to continuously update their knowledge by attending structured CPE courses offered by the Malta Institute of Accountants and other professional bodies.

Furthermore, all audit warrant holders are required by the VCA to undertake ongoing training. In particular, Directive Number 1 issued under the Accountancy Profession Act (Cap. 281) and the Accountancy Profession Regulations 2009 requires all warrant holders to complete a minimum of twenty-five (25) hours of structured Continuing Professional Education (CPE) activities per calendar year.



Engagement assignment

The firm's policy is to ensure an Engagement Partner is assigned to each job and their name and role is communicated to the client. The Engagement Partner must have the necessary skills and competence and time to undertake the role. The firm's policy is to ensure appropriately competent individuals are assigned to each job so that each job can be performed to the necessary standard. People are assigned to engagements based on several factors including their skill set, relevant professional and industry experience, and the nature of the assignment or engagement.

Engagement partners are required to obtain and assess information about the nature and circumstances of the engagement and the integrity and ethical values of the client before accepting or continuing.

and if so, further action plans are developed.

Performance Evaluation

All qualified staff undergo annual goal-setting and performance evaluations conducted by partners who are familiar with the individuals' performance. Everyone is evaluated on his or her attainment of agreed-upon goals, demonstration of skills/ behaviours, and adherence to our values.

Individual specific training requirements are assessed and monitored during job feedback and appraisal meetings. We also collect feedback from the audit department on areas where they believe they would benefit from further training. This is then used to drive upcoming training sessions to ensure that development needs are being met.

OUR STAFF EVENTS

Our quarterly social events are an opportunity for partners and staff to interact outside working hours which provide them with the opportunity to socialise outside our normal working environment.



OUR CLIENTS

Whenever a potential client approaches VCA, a proposal is prepared and sent shortly after the preliminary meeting. This proposal includes an understanding of the nature and scope of the services, a description of the firm's responsibilities, the client's responsibilities, the form of the report to be issued, and the applicable fees.

At the commencement of each new audit engagement, VCA evaluates whether the engagement should be accepted. The firm's procedures for the acceptance and continuance of clients and engagements are designed to provide reasonable assurance that it will only undertake or continue relationships and engagements where it:

- a) has considered the integrity of the client and does not have information that would lead it to conclude that the client lacks integrity.
- b) is competent to perform the engagement and has the capabilities, time and resources to do so; and can comply with
- c) ethical requirements.

Based on the overall risk assessment performed, additional safeguards may be incorporated into our audit procedures to mitigate identified risk factors. These rigorous client acceptance and continuance policies are essential to the firm's ability to deliver high-quality professional services.

In 2025, our procedures for all audit engagements were further enhanced. We initiated a comprehensive review of all existing audit engagements to assess the inherent risks associated with each engagement. This enables us to allocate appropriate and sufficient resources and to ensure that such risks do not compromise audit quality. Where risks are identified, we evaluate and implement appropriate mitigating actions, including disengagement where considered necessary.

The quality and clarity of our audit reports, together with our communications with those charged with governance, represent the final output of our work and reflect our commitment to maintaining the highest professional standards.

OUR QUALITY MANAGEMENT PROCEDURES

The audit firm applies the internal quality management system established by VCA. The system includes policies and procedures addressing quality management systems within the audit firm, ethical requirements, client and engagement acceptance and continuance, human resources, engagement performance and monitoring. The firm encourages consultation with experienced partners and other specialists where appropriate. The firm has a process in place for audit partners and teams to follow when consulting and seeking the firm's opinion, support on a client issue, judgement or risk.

The firm is committed to following the requirements of ISQM 1 and of promoting a culture of quality throughout its organisation. We confirm our policy is:

- to ensure quality in all assignments that we perform;
- to ensure commercial considerations never override the quality of performance;
- to ensure sufficient resources are devoted to the development, documentation and support of the firm's quality management policies and procedures; and
- to ensure all audit work is controlled and signed off by the partners.

We have our own audit approach to document the procedures carried out, and accompanying methodologies which provide a structure for the planning, carrying out the fieldwork and completion of our audit work to ensure compliance with the International Standards on Auditing (ISAs) and other applicable regulations. Partners are involved at all stages of the audit and their expertise and knowledge, particularly of their specialist sectors and industries, is incorporated into our audits and included throughout the audit file.

We are also committed to continue to update and improve our audit systems, methodologies, and procedures to ensure that audits comply with auditing standards.

We have also made good progress in adapting the firm's culture to one that encourages the challenge of management and expects and supports the exercise of professional scepticism.

The firm's policy is that our system of quality management procedures will be subject to a robust review on an annual basis. This review will be conducted by the signing partners and will include a sample of file reviews. All deficiencies arising from this review and any associated file reviews will be acted upon and any corrective action to the system made.

QUALITY CONTROL REVIEWS

Like most firms with established quality review programmes, we continuously identify areas for improvement and communicate our findings to staff through written communications, internal training tools, and periodic meetings involving partners, managers, and staff. These focus areas are also incorporated into subsequent inspection programmes to assess the extent of ongoing improvement.

The firm is subject to external reviews by the Quality Assurance Unit established within the Accountancy Board, which operates under the Ministry for Finance, the Economy and Investment. The most recent review by the Quality Assurance Unit was conducted in 2023. In addition, the firm operates its own internal quality management monitoring programme. This includes reviews of completed audit engagements to ensure compliance with professional standards, technical requirements, as well as independence and ethical considerations, among other key aspects.

No issues have been identified through the firm's ongoing quality management review programme that are considered to have a material impact on the conduct of our statutory audit activities. The firm also maintains robust procedures for handling complaints received from clients regarding the quality of our work. Our policies and procedures are designed to provide reasonable assurance that all complaints and allegations are addressed appropriately. This includes matters relating to potential non-compliance with professional standards, regulatory and legal requirements, as well as any breaches of the firm's system of quality management.

All formal complaints are investigated under the authority and supervision of a partner to ensure that they are handled thoroughly, objectively, and in a timely manner.

STATEMENT ON THE EFFECTIVENESS OF THE SYSTEM OF QUALITY MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

Conclusion

In accordance with Sections 53 to 54 of ISQM 1, the Board of Partners has evaluated the system of quality management for the year and concludes that it provides reasonable assurance that the objectives of the system of quality management have been achieved for the year ending 31 December 2025.

Basis for Conclusion

The Board of Partners has evaluated the system of quality management, including:

- The design and operation of the system of quality management in accordance with 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*, including the results of the firm's risk assessment process.

- The monitoring and remediation program operated by the firm, including internal reviews of independence practices. These reviews confirm that:

- (i) independence compliance has been appropriately maintained; and

- (ii) compliance with continuing professional education requirements has been achieved in accordance with Directive 1 of the Accountancy Profession Act (Continued Professional Education), Chapter 281 of the Laws of Malta.

- The findings of internal and external quality monitoring reviews. This includes the latest regulatory visit conducted by the Quality Assurance Unit of the Accountancy Board in 2020.

All identified matters have been adequately addressed, and appropriate remedial actions have been implemented following a root cause analysis.

Taking all of the above evidence into consideration, the Board of Partners believes that it has obtained sufficient and appropriate evidence to support its conclusion.



Michael Curmi



Carol Cassar Torreggiani



Alice Losco

30 April 2026

AUDITS OF PUBLIC INTEREST ENTITIES

VCA issued statutory audit reports during the year ending 31 December 2025 for the following entities that fell within the definition of Public Interest Entities



- **SP Finance p.l.c** (C-89462) – 31 December 2024, date of audit report 30 April 2025
- **The Ona p.l.c** (C-101370) - 31 December 2024, date of audit report 28 April 2025

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

- a) whose transferable securities are admitted to trading on a regulated market of any EU member state.
- b) credit institutions.
- c) insurance undertakings; and
- d) 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

FINANCIAL INFORMATION

VCA is committed to promoting a culture of quality throughout its organisation. Our goal has never been to become the largest accountancy practice but to be big where it matters – on giving a personalised professional service.

Personnel

During the year ending 31 December 2025, the average number of personnel employed by VCA amounted to 12 (in full time equivalents).



1 OFFICE



3 PARTNERS



12 FULL-TIME EQUIVALENTS



**€ 1.25M
TURNOVER**



**8% INCREASE ON
PRIOR YEAR**

Partner remuneration

The partners do not have any predetermined level of remuneration. They are entitled to their share of the firm's total profits which are allocated according to the partners' respective equity interest.

FINANCIAL INFORMATION

Service	Revenue 2025
Statutory audit (PIEs or PIE subsidiaries)	€ 91,400
Statutory audit (non-PIEs or non-PIE subsidiaries)	€ 673,851
Non-audit services (audited clients)	€ 238,760
Non-audit services (other entities)	€ 247,172
	€ 1,251,183

Revenue

The numbers above represent revenues for the year ended 31 December 2025 segmented by category as required by Article 18(k) of the Accountancy Profession Act (Cap.281).

