

# **TRANSPARENCY REPORT**

**FOR THE YEAR ENDED  
ON DECEMBER 31, 2022**

ТОВ «ПКФ УКРАЇНА» • вул. Хмельницького Богдана, буд. 52, 4 пов. • Київ • 01054 • Україна  
Телефон/факс: +38 044 501 25 31 • [www.pkf.kiev.ua](http://www.pkf.kiev.ua) • E-mail: [pkf@pkf.kiev.ua](mailto:pkf@pkf.kiev.ua)

ТОВ «ПКФ УКРАЇНА» є фірмою членом ПКФ Інтернешнл Лімітед (PKF International Limited) мережі юридично незалежних фірм та не приймає на себе будь-якої відповідальності чи зобов'язання за дії чи бездіяльність будь-якої фірми або фірм, які є членами або кореспондентами.

## Contents

INTRODUCTION .....	3
BACKGROUND INFORMATION ON PKF UKRAINE LLC .....	3
1. LEGAL STRUCTURE AND OWNERSHIP .....	4
2. PKF INTERNATIONAL NETWORK .....	4
2.1. <i>PKF International network, its legal basis and structure</i> .....	4
2.2. <i>Member firms and countries of registration and their net income</i> .....	6
3. PKF UKRAINE MANAGEMENT .....	6
4. INTERNAL QUALITY CONTROL (QUALITY MANAGEMENT) SYSTEM AND ITS EFFICIENCY .	6
5. LATEST EXTERNAL QUALITY CONTROL REVIEW .....	9
6. STATUTORY AUDITS OF PIES IN 2022.....	9
7. PRACTICES OF PROVISION OF INDEPENDENCE AND INTERNAL REVIEW OF COMPLIANCE WITH INDEPENDENCE REQUIREMENTS .....	9
8. CONTINUING EDUCATION OF AUDITORS.....	10
9. KEY PARTNER REMUNERATION.....	10
10. ROTATION OF KEY AUDIT PARTNERS AND AUDITORS ENGAGED IN STATUTORY AUDITS.....	11
11. FINANCIAL INFORMATION.....	11
12. RELATED PARTIES .....	11
Appendix 1. PKF International member and correspondent firms providing statutory audit services within the European Union .....	12
Appendix 2. Public Interest Entities in respect of which PKF UKRAINE LLC issued a statutory audit opinion in 2022 .....	14

## INTRODUCTION

We are pleased to present our Transparency Report for the year ended December 31, 2020, prepared in accordance with art. 37 of Law of Ukraine *On Audit of Financial Statements and Audit Activity* №2258 of December 21, 2017 (hereinafter referred to as Law № 2258).

This Report is designed to give information on the ownership and governance of the firm and the measures we take to maintain independence and high-quality standards in our audit and other services, as well as other information required by the above Law.

## BACKGROUND INFORMATION ON PKF UKRAINE LLC

**PKF UKRAINE LLC** (hereinafter referred to as the Firm) provides audit services for more than 15 years, being a leading audit firm, having professional and technical resources in compliance with International Standards on Auditing and auditors with extensive experience in provision of high-quality services. The Firm was established to engage in audit activity in the area of independent financial control in order to protect the interests of the users of financial information. PKF UKRAINE LLC provides the whole range of audit services that customers require to take optimal economic decisions.



Audit and review of financial statements



Assurance services regarding information and systems



Agreed-upon procedures for financial information



Tax consulting



Accounting and preparation of financial statements



Legal support of customers

PKF UKRAINE LLC is registered in the Register of Auditors and Audit Firms, published at website of Chamber of Auditors of Ukraine <https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovi-audyt-finansovoi-zvitnosti-pidprijemstv-shho-stanovljat-suspilnyi-interes/>, № 3886.

PKF UKRAINE LLC complies with criteria, set by the Law № 2258, for statutory audit of financial statements or consolidated financial statements of business entities including PIEs.

The Firm operates from its offices located at floor 4, 52B Bogdana Khmel'nitskogo str., Kyiv 01054, Ukraine.

## 1. LEGAL STRUCTURE AND OWNERSHIP

PKF UKRAINE Limited Liability Company is a legal entity under Ukrainian law, created by aggregation of inputs of the participants and operating in accordance with current law of Ukraine and Statute of the Firm.

The following natural persons are the owners of the Firm:

- Iryna O. Kashtanova
- Sviatoslav V. Biloblovsky
- Tatiana S. Pashyna
- Natalia. I. Gaievska.

PKF UKRAINE LLC has a subsidiary – European Centre of Consulting and Appraisal LLC, offering services on property related consulting, appraisal being its major line of business. In turn, European Centre of Consulting and Appraisal LLC has a subsidiary - European Centre of Consulting and Appraisal.

## 2. PKF INTERNATIONAL NETWORK

### 2.1. *PKF International network, its legal basis and structure*

The Firm is a member firm of the PKF International (PKFI) family of legally independent firms. PKFI consists of members firms in locations around the world providing assurance, accounting and business advisory services. The network is a member of the Forum of Firms – an organisation dedicated to consistent and high-quality standards of financial reporting and auditing practices worldwide.

PKFI administers legally independent firms and not accept any responsibility or liability for actions or inactions on the part of any other individual member firm or firms within PKFI.

PKF UKRAINE LLC does not accept any responsibility or liability for actions or inactions on the part of any other individual member firm or firms within PKFI.

#### **Legal basis**

The network formed by PKFI and the member firms (hereinafter referred to as member firms) is regulated by provisions of the Agreement between PKFI and individual member firms (the Agreement). The Agreement authorises member firms to use the PKF name as defined under specific circumstances, under specific conditions, for specific purposes and in a specific territory; member firms pay membership dues to PKFI.

PKFI is a private limited liability company (the Company) registered in England (registration number 03816253). The Company's Articles of Association require a Board of Directors who conduct the business of the Company. The Board has a strategic and co-ordinating role but has no executive authority of the operations of individual member firms.

Each member firm is a legally independent entity owned and managed in each location. The Company has no financial or management interest in any member firm. None of the directors

of the Company has a financial or management interest in any member firm other than his or her own.

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 for the services provided.

### **Central element of the network, its bodies and their communications**

PKFI is the central element of the network. Its Board of Directors consists of members of the International Board. Chief executive officer is elected by the International Board. The CEO is accountable to the Chairman of International Board and International Board.

The International Board consists of representatives nominated by all regions. Regional Chairman and other representative of Regional Board, if delegated, are members of the International Board. International Board and Regional Boards meet or conduct teleconferences, if necessary, several times per year.

PKFI has two international committees responsible for professional and practice standards – the International Professional Standards Committee (incl. Assurance) (IPSC) and International Tax Committee (ITC). There are several additional practice committees at regional and international level. Each region is represented in these committees, regularly reporting to the International Board and the CEO. IPSC and ITC meet several times per year.

### **Structure and key elements of membership**

PKFI distinguishes between member firms and exclusive / non-exclusive correspondent firms. Correspondent firms do not form part of the Network as defined by the Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code), have none of the rights and privileges of member firms. They are covered by GMP only within their evaluation as a stage of their progression to full membership.

Member firms are subdivided into five geographical regions. Each region has a Regional Board, electing or appointing its representatives to the Board of the Company. Major requirements, applicable to members of PKF network, are stated in the Agreement between a member firm and PKF International Limited and International professional standards manual (IPSM), requiring compliance with the requirements by all member firms.

Major requirements of the Agreement and IPSM are presented above at *Legal Basis* section and other sections of the Report. Additional substantial requirements are summed up below.

Member firms have to implement internal-monitoring and quality-control evaluation system for all practices at the firm level. For assurance engagements and related-services engagements, the quality control system must comply with International quality control standard 1 (IQCS 1) and International quality management standards (IQMS 1 and IQMS 2) as of December 15, 2022. General purpose of these requirements is to use quality control (quality management) system to provide a reasonable assurance that a firm and its personnel comply with requirements of professional standards and applicable laws and regulations, while reports issued by a member firm correspond to conditions of an engagement.

Member firms must annually submit Compliance report and Firm Profile, containing information on income and other statistical information, to PKFI.

PKFI approach to management of independence is based on Transnational entities database (TREND), a component of proprietary PKF network platform for global coordination and communication. Well-protected central storage of transnational data of member firms' clients is accessible by all PKF member firms; this database helps to identify potential transborder

conflicts of interest between PKFI member firms. The list of transnational entities (taking into account transnational audits) is regularly updated, and its accuracy is confirmed each year.

### **Ensuring quality**

PKFI runs Global monitoring program (GMP) covering all member firms. Major purpose of GMP is to ensure that standards, expected to be complied with when delivering certain professional services by member firms, are implemented and communicated to personnel, while these standards comply with applicable requirements to professional practice at least for transnational engagements and work with the referred clients, and program of monitoring compliance of member firms with quality standards is effective.

### **Membership in the Forum of Firms**

PKFI is a member of The Forum of Firms (the Forum) which was formally established in 2002 as an independent association of international networks of accounting firms that perform transnational audits. The objective of the Forum is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide. The Forum involves its members more closely with the activities of the International Federation of Accountants (IFAC) in audit and other assurance-related areas. Today Forum consists of 31 members. For more information, click <https://www.ifac.org/who-we-are/committees/transnational-auditors-committee-forum-firms>.

#### **2.2. Member firms and countries of registration and their net income**

PKF International network consists of member firms and correspondent firms operating in more than 500 cities of 143 countries in five regions, offering services on audit, review, accounting, management, legal and tax consulting.

Member firms and correspondent firms with total number of employees of 20 100 (for the year ending on June 30, 2022) generated income of USD 1.792 billion.

An up to date list of member and correspondent firms, including the firm names and countries in which they are registered and operate from, can be found on the website [www.pkf.com](http://www.pkf.com).

The list of member firms operating within the EU as statutory auditors is set out in [Appendix 1](#).

The aggregate fee income which relates to the statutory audit of annual and consolidated financial statements by PKFI member firms in European region (excluding correspondent firms), as stated in Compliance Report for the year ended on June 30, 2022, reached USD 135.5 million.

### **3. PKF UKRAINE MANAGEMENT**

Highest body of PKF UKRAINE LLC, authorized to decide on any issues of its activity is General Meeting of participants of the Firm. The executive body of the Firm is the Director, who manages the day-to-day operations of the Firm.

Directors of business lines and engagement team leaders take part in current management of the Firm. The Firm stimulates a culture of cooperation to ensure that it works as an integral team and uses the best abilities of the Firm to meet expectations of clients and the Firm.

### **4. INTERNAL QUALITY CONTROL (QUALITY MANAGEMENT) SYSTEM AND ITS EFFICIENCY**

PKF UKRAINE LLC implemented quality control system consisting of 6 elements in accordance with IQCS 1, describing responsibility of a firm for its system of quality control for

audits and reviews of financial statements, as well as other assurance engagements and related services.

Quality control elements, introduced by IQCS 1, are applicable to all audit services, provided by the Firm. They are applied as follows:

#### **Leadership responsibilities for quality within the firm**

Responsibility for efficient work of the quality control system rests with the Deputy Director – quality control director Natalia Gaievskaya, accountable to the Director of the Firm.

Other leaders of the Firm perform the following functions, namely:

- Director of the Firm Iryna Kashtanova is responsible for issues related to human resources,
- Directors of audit Tatiana Pashyna and Sviatoslav Biloblovsky are responsible for development and implementation of policies and procedures for the *Engagement Performance* element of quality control system.

All policies and internal standards of the Firm are available to all employees.

Responsibility for the implementation of professional standards of the Firm rests with directors of business lines and engagement team leaders.

Responsibility for review of issues related to money laundering and financial monitoring, and review of appeals rests with the Director of the Firm.

#### **Relevant ethical requirements**

Requirements regarding compliance with the Code of Ethics are stated in the internal standards of the Firm. All employees of the Firm know ethical requirements. Annual assessment of personnel includes assessment of compliance with these requirements. Client's acceptance and continuance procedures include assessment of the ability of the Firm to comply with relevant ethical requirements, including independence.

#### **Acceptance and continuance of client relationships and specific engagements**

The Firm implemented detailed procedures of acceptance and continuance of client relationships and specific engagements. Detailed client's questionnaire is prepared before acceptance of any engagement. It requires identification of the client, assessment of our independence and absence of conflict of interests, assessment of availability of resources to perform the engagement, as well as assessment of risk, connected with the potential client.

When a new client or engagement of existing client are accepted, the Firm describes, *inter alia*, the nature of engagement, responsibility of the client under the engagement and presentation of all necessary information, requirements applicable to the Firm and standard terms of the services in the contract with the client.

Besides, partners and professional, engaged in audits, including statutory audits of PIEs, prepare, prior to commencement of work or continuance of relationships, document of special format confirming their compliance with the requirements of Code of Ethics (including independence requirements).

### **Human resources**

PKF UKRAINE LLC implemented policies and procedures to ensure that all employees have proper technical knowledge and skills, demonstrate our values and commitments when providing the services in compliance with high professional standards and ethical standards, including independence, integrity and objectivity.

The Firm has high standards of selection and continuing professional education of personnel, focusing on selection and interviewing of candidates and respective qualification requirements. Directors of the Firm take part in all interviews. References and membership on professional organizations are a plus for candidates.

All personnel is regularly assessed based on performance, perspectives of development and need of retraining.

### **Engagement performance**

Procedures for performance of engagements are stated in detail in PKFI manuals and standards and internal manuals and standards of the Firm.

Procedures, performed during engagements, are properly documented in accordance with International Standards on Auditing. Quality control review of every engagement is performed by a specially appointed reviewer, who does not participate in the engagement and takes no decisions on the respective reports.

Work of all auditors, experts and assistants is supervised by engagement team managers and engagement partners in accordance with strict requirements regarding consultations with other partners and engagement, as the case is, of external experts.

### **Monitoring**

Quality monitoring of audit and assurance engagements, as well as other audit services, provided by the Firm, is performed by appointed highly qualified employees supervised by the quality control director. Audit engagements are inspected with the inspection reports presented to the quality control director and Director of the Firm. Besides, the quality control director performs annual review of assurance practice of the Firm as a whole.

Review of quality of services provided by the Firm, is aimed at compliance with requirements of IQCS 1.

### **Statement of efficiency**

Based on the results of monitoring, we are sure that our quality control system is efficient, ensuring our compliance with professional standards and provision of high-quality services for our clients.

### **Quality management system**

During 2022, the Firm worked on preparation for implementation and functioning of quality management system for audits or reviews of financial statements, other assurance engagements or related services, as required by IQMS 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and IQMS *Engagement Quality Reviews*, ISA 220 (revised) *Quality Management for an Audit of Financial Statements* applicable as of December 15, 2022.



The Firm applied risk-oriented methods to design interrelated and well-coordinated components of quality management system to be able to manage quality of the Firm's engagements actively. The Firm:

- established quality goals, as set by IQMS 1;
- identified and assessed risks for quality goals;
- developed responses to quality risks.

## **5. LATEST EXTERNAL QUALITY CONTROL REVIEW**

PKF UKRAINE LLC is the audit firm authorized to perform statutory audits of financial statements of legal entities, including PIEs. It entails additional requirements regarding external quality control review. In accordance with the Law №2258 the Firm has to undergo quality control of audit services not less than once every three years.

Quality control of audit services is performed by quality control inspection (the Inspection) of Public audit oversight board. The Inspection performed the latest external quality control review in December 2021 – April 2022.

As a member firm of PKFI network, the Firm regularly undergoes quality control inspections by PKF International. The latest inspection was performed in January 2020.

Results of external and internal reviews and inspections are used to improve the procedures and are included into internal training programs. If necessary, the quality control director issues a note of warning stating the issues to be taken into consideration by partners and personnel.

## **6. STATUTORY AUDITS OF PIEs IN 2022**

In accordance with the Law № 2258, PKF UKRAINE LLC has a right to perform statutory audits of financial and consolidated financial statements, including audits of PIEs.

List of PIEs, which underwent statutory audit by the Firm in 2022, is presented in [Appendix 2](#) to the Report.

## **7. PRACTICES OF PROVISION OF INDEPENDENCE AND INTERNAL REVIEW OF COMPLIANCE WITH INDEPENDENCE REQUIREMENTS**

Internal standards of the Firm, including independence requirements, state that:

- Compliance with Code of Ethics for Professional Accountants (including International standards of Independence) is higher than commercial benefit;
- Prior to acceptance of any new engagement from existing or new clients, partners and staff must identify circumstances that may create conflict of interests for the Firm and PKFI network;
- Review for potential conflict of interests in PKFI network includes analysis of Transnational Entities Database (TREND) to see if any of the member firms has any relations with new or existing clients;
- Partners and managers must continuously monitor independence and, for audit engagements, confirm independence of the Firm in compliance with independence standards prior to each engagement;
- All employees of the Firm must present confirmation of their independence, absence of conflict of interests and prohibited investments every year;
- Quality control director performs annual review of the above confirmations for compliance with independence requirements;
- Inducements may be offered or accepted only when objective, reasonable and informed third party would be likely to conclude or treat their value as clearly trivial and inconsequential;

- Quality control director must be consulted on all issues of independence and professional ethics. Decision of quality control director on any of the above issued is final;
- Noncompliance with Firm's procedures must be immediately reported to quality control director and Director of the Firm.

In addition, partners and professionals, participating in audits, including statutory audits of PIEs, issue or update, if necessary, statement of independence regarding particular engagement. This statement is to be signed by all engagement team members prior to commencement of engagement. The existence of threats to independence is continuously monitored during the engagement, and, if they are identified, respective safeguards are applied.

Review of compliance with independence requirements is performed for each engagement. Independence issue is an important element of quality control monitoring and quality control reviews.

## **8. CONTINUING EDUCATION OF AUDITORS**

The firm complies with legal and regulatory requirements to continuing professional education of the auditors. Responsibility for complete support of professional development rests with the Director of the Firm, while actual support is offered by the quality control director.

The Firm provides:

- Technical library, including online resources accessible via Internet.
- Manuals on procedures for all audit and assurance engagements and other services provided by the Firm;
- Subscription to digital newsletters and updating of digital periodicals on standards and practice of audit, accounting, finances;
- Regular external training of partners and professionals at workshops to improve professional knowledge of accounting, audit and taxation;
- Internal workshops, taking into account specific roles of personnel at each stage of career;
- Specialized internal and external workshops to meet specific educational needs.

Regular professional training and updating of knowledge is mandatory for managers of all business lines of the Firm. The Firm develops and approves annual plans of internal training sessions.

Each employee engaged in provision of services, including managers of all business lines, have their own plans of continuing development and education. Annual assessment of personnel includes review of compliance with the plan.

The Firm appointed a person responsible for control over attendance and compliance with mandatory annual hours of continuing education.

External mandatory professional training of auditors in 2022 was based on online seminars, teleconferences and trainings, short-term educational workshops staged by professional organizations and regulators. Besides, the partners often act as speakers and lecturers.

## **9. KEY PARTNER REMUNERATION**

Key partners of the Firm receive fixed salary and respective bonuses.

### 10. ROTATION OF KEY AUDIT PARTNERS AND AUDITORS ENGAGED IN STATUTORY AUDITS

The firm’s policies on rotation of key audit partners and auditors are stated in internal standards. All partners and auditors, engaged in statutory audits, must comply with the above policies of the Firm, based on requirements of Law № 2258 and ethical principles applicable to the Firm.

Statutory audit engagement partner must terminate his/her service to the client not later than 7 years after appointment while for the Firm engagement must be terminated not later than 10 years after appointment, except for the banks. The Firm may perform statutory audits of financial statements of the banks for not more than 7 years after appointment.

In cases, described in the Law 2258, a firm, after termination of maximal uninterrupted term of services, may continue to provide the services, if a PIE decides so.

### 11. FINANCIAL INFORMATION

Description	UAH'000
Statutory audit of Public Interest Entities and companies of groups, where PIE is a parent company	6 763,5
Statutory audit of other audit clients	2 273,3
Non-audit services to Public Interest Entities	753,3
Non-audit services to non-audit clients	1 971,1

### 12. RELATED PARTIES

EUROPEAN CENTRE OF CONSULTING AND APPRAISAL LLC and its affiliate EUROPEAN CENTRE OF CONSULTING AND APPRAISAL are the related parties of the Firm.



**I. Kashtanova**  
**Director**  
**PKF UKRAINE LLC**  
**April 24, 2023**



*Our values Our ambitions*  
passion teamwork clarity quality integrity



**Appendix 1. PKF International member and correspondent firms providing statutory audit services within the European Union**

Registered name	Country	City
PKF Corti & Partner GmbH Wirtschaftsprüfer und Steuerberater	Austria	Graz
PKF Österreicher & Partner GmbH & Co KG Wirtschaftsprüfung und Steuerberatung	Austria	Vienna
PKF Revisionstreuhand Wirtschaftsprüfungsgesellschaft m.b.H.	Austria	Salzburg
PKF BB3	Belgium	Gent
PKF Bulgaria Ltd.	Bulgaria	Sofia
PKF ABAS Ltd	Cyprus	Nicosia
PKF Savvides & Co Ltd	Cyprus	Limassol
APOGEO Group, SE	Czech Republic	Prague
PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab	Denmark	Copenhagen
PKF Estonia OÜ	Estonia	Tallinn
Rantalainen Audit	Finland	Helsinki
PKF Arsilon	France	Paris
William SARL	France	Rouen
PKF Fasselt Schlage Partnerschaft mbB	Germany	Berlin
PKF Industrie- und Verkehrstreuhand GmbH Wirtschaftsprüfungsgesellschaft	Germany	Munich
PKF Issing Faulhaber Wozar Altenbeck GmbH & Co. KG	Germany	Wuerzburg
PKF Riedel Appel Hornig GmbH	Germany	Heidelberg
PKF Sozietät Dr. Fischer	Germany	Nuremberg
PKF Vogt & Partner Wirtschaftsprüfer Steuerberater	Germany	Herford
PKF WMS Bruns-Coppenrath & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberater Rechtsanwälte	Germany	Osnabrueck
PKF WULF GROUP	Germany	Stuttgart
PKF Euroauditing S.A.	Greece	Athens
PKF Audit Kft	Hungary	Budapest
PKF O'Connor, Leddy & Holmes Limited	Ireland	Dublin
PKF Italia S.p.A.	Italy	Milan
PKF Latvia SIA	Latvia	Marupe
L'Alliance Révision S.à r.l.	Luxembourg	Luxembourg
PKF Audit & Conseil S.à.r.l.	Luxembourg	Luxembourg
PKF Malta Limited	Malta	Birkirkara

PKF Wallast	Netherlands	Delft
PKF ReVisjon AS	Norway	Oslo
PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.	Poland	Warsaw
PKF II Portugal Lda	Portugal	Lisbon
PKF Econometrica S. R. L.	Romania	Timisoara
PKF Finconta S. R. L.	Romania	Bucharest
PKF Slovensko S.R.O	Slovakia	Prievidza
PKF - Audiec SAP	Spain	Barcelona
PKF Attest Servicios Profesionales, S.L.	Spain	Madrid
PKF Revidentia AB	Sweden	Stockholm

**Appendix 2. Public Interest Entities in respect of which PKF UKRAINE LLC issued a statutory audit opinion in 2022**

<b>Public Interest Entity</b>
ABinBev EFES Ukraine PrJSC
Asvio Bank JSC
Portal Bank JSC
Bank 3/4 JSC
Bank Credit Dnipro JSC
Cominbank JSC
Best Leasing LLC
VIDI-Insurance IC DLC
Vinnytsky Kombinat khleboproduktiv №2 LLC
Zorya Podillya Product Company LLC
Kyiv metropoliten Municipal entity
Clearing House Joint Stock Bank
Kniazha Vienna Insurance Group PrJSC
Kniazha Life Vienna Insurance Group PrJSC
Credit Europe Bank JSC
Crystal Bank JSC
LVISELECTROTRANS municipal entity
METABANK JSC
INTERNATIONAL INVESTMENT BANK JSC
Naftagazstrah IC DLC
OTP Pension VPF»
PK PODILLIA PrJSC
PUMA UKRAINE LLC
Radabank JSB
Tekom IC PrJSC
UPSK Insurance Company PrJSC