2023 Inspection PKF Littlejohn LLP

(Headquartered in London, United Kingdom)

May 22, 2025

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2025-099

PCAOB PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

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2023 INSPECTION

In the 2023 inspection of PKF Littlejohn LLP, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies. Our inspection was conducted in cooperation with the Financial Reporting Council of the United Kingdom.

We selected for review three audits of issuers with fiscal years ending in 2022. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

2023 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work or of all of the audit procedures performed for the audits reviewed.

View the details on the scope of our inspections and our inspections procedures.

OVERVIEW OF THE 2023 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2023 inspection as well as data from the previous inspection. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

Firm Data and Audits Selected for Review

	2023	2020
Firm data		
Total issuer audit clients in which the firm was the principal auditor	7	2
Total issuer audits in which the firm was not the principal auditor	0	0
Total engagement partners on issuer audit work[1]	2	2
Audits reviewed		
Total audits reviewed	3	2
Audits in which the firm was the principal auditor	3	2
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0	0
Audits with Part I.A deficiencies	3	1
Percentage of audits with Part I.A deficiencies	100%	50%

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional

[1] The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection.

audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2023 inspection and the previous inspection. For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2023		2020	
Audit area	Audits reviewed	Audit area	Audits reviewed
Revenue and related accounts	2	**Revenue and related accounts**	2
Cash and cash equivalents	1	**Cash and cash equivalents**	1
Long-lived assets	1	**Other investments**	1
Significant accounts	1	**Inventory**	1
Goodwill and intangible assets	1		

PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.

Part I.B discusses certain deficiencies, if any, that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Part I.C discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules, if any, related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR.

This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion on the issuer's financial statements.

We identify each issuer by a letter (e.g., Issuer A). Each deficiency could relate to several auditing standards, but we reference the PCAOB standard that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

Audits with Multiple Deficiencies

Issuer A – Information Technology

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Digital Assets**, **Long-Lived Assets**, and **Revenue**.

Description of the deficiencies identified

With respect to **Digital Assets**, for which the firm identified a fraud risk:

The issuer recognized realized gains/losses on the sale of digital assets through two different types of transactions. The firm's substantive procedures to test these realized gains/losses included testing a sample of transactions for each transaction type. The following deficiencies were identified:

- The firm did not perform procedures to evaluate the relevance and reliability of certain external data it used to test realized gains/losses, beyond documenting the methodology used by the external party to price the digital assets. (AS 1105.04 and .06)

- For the items selected related to the first type of transaction, the firm did not sufficiently test the quantity of digital assets transferred because its procedures were limited to testing the quantity of digital assets received, which were a different type of asset than the assets transferred. (AS 2301.08 and .13)

- For certain items selected related to the second type of transaction, the firm did not evaluate the appropriateness of the issuer's recognition of realized gains/losses. (AS 2301.08 and .13) In addition, the firm did not evaluate the reliability of certain external data used as audit evidence in testing certain of these transactions. (AS 1105.04 and .06)

- The firm did not perform any procedures to test the remaining population of realized gains/losses on the sale of digital assets. (AS 2301.08 and .13)

- The firm did not identify and evaluate departures from the applicable accounting standards related to the presentation and disclosure of digital asset transactions. (AS 2810.30 and .31)

With respect to **Long-Lived Assets**, for which the firm identified a significant risk:

The issuer recorded impairments related to certain long-lived assets during the year. The following deficiencies were identified:

- The firm did not perform any procedures to test the impairment of certain long-lived assets. (AS 2501.07)

- For certain other long-lived assets, the firm did not perform sufficient procedures to evaluate the reasonableness of certain significant assumptions used in the impairment calculations. Specifically, it did not evaluate significant differences between the assumptions and (i) similar significant assumptions used by the issuer in another estimate, (ii) industry information, and/or (iii) information from an external source. Further, the firm did not perform procedures to evaluate the relevance and/or reliability of the industry information and information from the external source. (AS 1105.04 and .06; AS 2501.16)

- The firm did not perform any procedures to test another portion of an impairment, including whether it was appropriate to record the impairment. (AS 2301.08 and .11)

- The firm did not perform any procedures to evaluate the relevance and reliability of certain information from external sources that the issuer used in an impairment calculation. (AS 1105.04 and .06)

- The issuer engaged an external specialist to estimate the impairment for certain other long-lived assets. The firm did not perform any procedures to evaluate the reasonableness of the significant assumptions used by the company's specialist. (AS 1105.A8b; AS 2501.16) In addition, the firm did not perform any procedures to (i) test the accuracy and completeness of issuer-produced information, and (ii) evaluate the relevance and reliability of information from external sources, that were both used by the company's specialist. (AS 1105.A8a)

The firm did not perform sufficient procedures to evaluate the useful lives for certain long-lived assets, because it did not evaluate the significant differences between this assumption, the significant assumption used by the issuer in an impairment calculation, and industry information. (AS 2501.16)

The firm did not perform procedures to test, or identify and test any controls over, the accuracy of certain data included in certain system-generated reports that it used in its substantive procedures over depreciation expense. (AS 1105.10)

With respect to **Revenue**, for which the firm identified a fraud risk:

The issuer earned revenue through cryptocurrency mining. The firm did not perform any procedures to evaluate (1) the terms and conditions of the issuer's arrangements with its mining pool operators and (2) the method used by the mining pool operators to allocate consideration to the issuer. (AS 2301.08 and .13)

The firm did not perform procedures to evaluate the relevance and/or reliability of certain external data it used to substantively test this revenue, beyond documenting the methodology used by one source to price crypto assets. (AS 1105.04 and .06)

Issuer B

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to a **Significant Account**, **Goodwill and Intangible Assets**, and **Journal Entries**.

Description of the deficiencies identified

With respect to a **Significant Account**, for which the firm identified a fraud risk:

The issuer recorded a significant account based on estimates. The firm identified and tested controls to reduce the nature, timing, and extent of its substantive procedures to test this significant account. The following deficiencies were identified:

- The firm selected for testing controls over the review of certain aspects of this significant account. The firm did not perform procedures to evaluate the specific review procedures that the control owners performed to (i) evaluate the reasonableness of the assumptions, (ii) evaluate whether data was appropriately used in determining the estimate, and (iii) test the accuracy and completeness of certain information used in the performance of these controls. (AS 2301.19 and .21)

- The firm selected for testing certain other controls over this significant account. The firm did not perform sufficient procedures to test the design and operating effectiveness of these controls because it did not obtain evidence that these controls were designed effectively and operating effectively during the entire period of reliance. (AS 2301.16)

- The firm did not perform substantive procedures to test this significant account, beyond performing a retrospective analytical review, testing certain data used to determine the estimate, and comparing activity reports for this significant account to the general ledger. (AS 2501.07)

With respect to **Goodwill and Intangible Assets**, for which the firm identified a fraud risk:

The issuer reported goodwill and intangible assets. The firm did not perform procedures, beyond (i) obtaining and reading the issuer's analyses and/or press releases, (ii) performing sensitivity analyses, and (iii) performing certain tests of mathematical accuracy, to test certain of the issuer's impairment analyses, including consideration of contrary evidence in the work papers for one of the analyses. (AS 2501.07; AS 2810.03)

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm identified certain fraud criteria for journal entries and obtained a listing of all journal entries that met the criteria. The firm did not examine the underlying support for the journal entries. (AS 2401.61)

Issuer C – Information Technology

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue** and **Journal Entries**.

Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk and a significant risk:

The firm did not perform sufficient procedures to evaluate the terms and conditions in the issuer's contracts for certain types of revenue to determine their effect on the recognition of this revenue, because it limited its procedures to evaluating the terms and conditions of one contract for certain of these types of revenue. (AS 2301.08, .11, and .13) In addition, the firm did not perform substantive procedures to test the presentation of these types of revenue. (AS 2301.08)

The firm did not perform procedures to evaluate whether certain other revenue was recognized in conformity with the applicable accounting standard, beyond reading the issuer's revenue recognition policy. (AS 2301.08) In addition, the firm did not perform any procedures to evaluate the relevance and reliability of certain information it obtained from external sources and used in its substantive procedures. (AS 1105.04 and .06)

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm identified certain fraud criteria for journal entries and obtained a listing of all journal entries that met the criteria. The firm did not examine the underlying support for the journal entries. (AS 2401.61)

Audits with a Single Deficiency

None

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In one of three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not perform sufficient procedures to determine whether the journal entry population from which it made its selections was complete. In this instance, the firm was non-compliant with AS 1105, *Audit Evidence*.

- In one of three audits reviewed, the firm did not establish an understanding of the terms of the audit engagement with the audit committee, record such understanding in an engagement letter, and provide the engagement letter to the audit committee. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of three audits reviewed, the firm did not communicate to the audit committee all of the significant risks identified through its risk assessment procedures. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of three audits reviewed, the firm did not make certain required communications to the audit committee related to (1) the name, location, and planned responsibilities of an other accounting firm that performed audit procedures in the audit and (2) certain corrected misstatements. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of three audits reviewed, the firm did not make a required communication to the audit committee related to certain critical accounting estimates. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of three audits reviewed, the firm did not make a required communication to the audit committee related to the basis for the engagement partner's determination that the participation of his or her firm was sufficient to serve as the lead auditor, as significant parts of the audit were performed by other auditors. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of three audits reviewed, the firm did not evaluate whether an identified material misstatement resulted from a control deficiency and whether that control deficiency represented a material weakness or significant deficiency that required communication to management and the audit committee. In this instance, the firm was non-compliant with AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.

- In one of three audits reviewed, the firm did not provide to management and the audit committee the required communications in writing of all significant deficiencies identified during the audit. In this instance, the firm was non-compliant with AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.

- In the three audits reviewed, the firm did not perform procedures to determine whether all individuals who participated in the audit were in compliance with independence requirements. In these instances, the firm was non-compliant with AS 2101, *Audit Planning*.

- In one of three audits reviewed, the firm did not identify and assess the risks of material misstatement related to a significant account and disclosure. In this instance, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In one of three audits reviewed, the firm did not inquire of others within the company about fraud risks. In this instance, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In two of three audits reviewed, the firm did not inquire of the audit committee and/or others within the company about the risks of material misstatement, including fraud risks. In these instances, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In one of three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not have an appropriate rationale for limiting its testing of entries it identified as having certain fraud risk characteristics to certain entries. In this instance, the firm was non-compliant with AS 2401, *Consideration of Fraud in a Financial Statement Audit*.

- In two of three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not appropriately consider the characteristics of potentially fraudulent journal entries in determining the criteria it used to identify and select journal entries for testing. In these instances, the firm was non-compliant with AS 2401, *Consideration of Fraud in a Financial Statement Audit*.

- In one of three audits reviewed, the firm did not communicate all accumulated misstatements to management on a timely basis to provide management with an opportunity to correct them. In this instance, the firm was non-compliant with AS 2810, *Evaluating Audit Results*.

- In one audit, the year the firm began serving consecutively as the company's auditor that was included in the firm's audit report was incorrect. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.

- In one of three audits reviewed, the engagement team performed procedures to determine whether or not matters were critical audit matters but, in performing those procedures, did not include certain matters that were communicated to the audit committee and that related to accounts or disclosures that were material to the financial statements. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. This instance of non-compliance does not necessarily mean that other critical audit matters should have been communicated in the auditor's report.

- In one of three audits reviewed, the firm's communication of a critical audit matter in the audit report included language that was inconsistent with information in the firm's audit documentation. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.

- In one audit, the firm's report on Form AP omitted information related to the participation in the audit by certain other accounting firms. In another audit, the firm's report on Form AP omitted the Firm ID of an other accounting firm that participated in the audit and individually contributed 5% or more of total audit hours. In these instances, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

PART I.C: INDEPENDENCE

This section of our report discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence. An instance of potential non-compliance with SEC rules or an instance of non-compliance with PCAOB rules does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period. Although this section includes instances of potential non-compliance that we identified, there may be other instances of non-compliance with SEC or PCAOB rules related to independence that were not identified through our procedures or the firm's monitoring activities.

PCAOB-Identified

We identified the following instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence:

Under Rule 2-01(c)(7) of Regulation S-X, an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre-approved by the audit committee. In three audits reviewed, we identified seven instances across two issuers in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval.

Firm-Identified

The firm did not bring to our attention any instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

While the firm did not bring to our attention any instances of potential non-compliance, the number, large or small, of firm-identified instances of potential non-compliance may be reflective of the size of the firm, including the number of associated firms; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of those issuers. Therefore, we caution against making any comparison of firm-identified instances of potential non-compliance across firms.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

APPENDIX A: FIRM’S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm’s response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm’s comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm’s response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm’s comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm’s response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

Ms Christine Gunia, Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW
Washington, D.C. 20006

Date:
2 May 2025

Response to Part I of the Draft Report on the 2023 Inspection of PKF Littlejohn LLP (PUBLIC)

Dear Ms Gunia

We are pleased to provide our response to Part I of the Public Company Accounting Oversight Board's (PCAOB) draft report on the 2023 inspection of PKF Littlejohn LLP.

We firmly believe in the PCAOB's mission and its critical contribution to enhancing audit quality for the benefit of the public interest. The PCAOB inspection process provides valuable insights to assist us in improving our performance and further strengthen our system of quality control. We therefore take the findings from the PCAOB inspection process seriously and remain fully committed to implement the necessary actions to ensure that we deliver high-quality audits that safeguard investor interests and public confidence.

We have carefully evaluated the matters outlined in Part I.A and I.B of the Draft Report and have already implemented several of the required actions to address the engagement-specific findings in line with the PCAOB standards and our policies and procedures. The outstanding matters are expected to be finalized by the established timescales.

Regarding the matters outlined in Part I.C of the Draft Report, we reaffirm that independence and objectivity are fundamental principles of our profession and that we remain committed in demonstrating these principles. We have reviewed the reported instances of potential non-compliance with SEC and PCAOB independence rules and, both the Firm and the relevant audit committees concluded that the Firm's objectivity and impartiality was maintained in relation to the respective audits. Notwithstanding the conclusion reached on the Firm's independence for those audits, we have assessed the findings in Part I.C and taken proactive measures to prevent similar occurrences in the future.

We value the opportunity to respond to Part I of the Draft Report and take the observations provided with the utmost seriousness. These findings enables us to refine our policies and procedures, propelling our drive for continuous improvement in audit quality. With the investments we continue to

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the address below. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC342572. Registered office at 15 Westferry Circus, London E14 4HD. PKF Littlejohn LLP is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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make in our processes, policies, and system of quality control, we are confident that our efforts will result in tangible, positive advancements in audit quality.

We look forward to continuing our dialogue with the PCAOB to ensure our mutual objectives in respect of audit quality are achieved.

Yours sincerely

PKF Littlejohn LLP

PKF Littlejohn LLP