



# Meeting our Reporting requirements 2025

In respect of the year ended  
30 September 2025



# Introduction

**KPMG in the UK's 2025 Transparency Report** provides information about our firm's governance, culture, relentless focus on quality, and processes for risk management. Whilst KPMG is a multi-disciplinary firm, the report is primarily focused on our Audit practice and the policies and programmes we have in place to support audit quality.

The information disclosed relates to KPMG in the UK's activities as at 30 September 2025, and demonstrates compliance with the following reporting requirements:

- Audit Firm Governance Code (Revised 2022).
- Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019.
- The Local Auditors (Transparency) Regulations 2020.
- Consultative Committee of Accountancy Bodies Voluntary Code of Operative Practice on Disclosure of Audit Profitability (March 2009).
- The FRC's principles for operational separation of the audit practices of the Big Four firms.

The pages that follow provide an overview of where information in response to each requirement can be found.



**Jon Holt** / Group Chief Executive  
& UK Senior Partner

For and on behalf of KPMG LLP

28 January 2026



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# Audit Firm Governance Code (2022)

The FRC published an updated Audit Firm Governance Code (2022) (the Code) which supersedes the 2016 Code and is applicable for financial years beginning on or after 1 January 2023. This 2022 Code has therefore been applied to KPMG in the UK’s 2025 Transparency Report (this report).

## A: Leadership

### Principles

- A. A firm’s Management<sup>1</sup> and governance structures should promote the long-term sustainability of the firm. To this end, the Management of a firm should be accountable to the firm’s owners.
- B. A firm’s governance arrangements should provide checks and balances on individual power and support effective challenge of Management. There should be a clear division of responsibilities between a firm’s governance structures and its Management. No one individual or small group of individuals should have unfettered powers of decision.
- C. A firm’s Management should demonstrate its commitment to the public interest through their pursuit of the purpose of this Code and regular dialogue with the INEs. Management should embrace the input and challenge from the INEs (and ANEs).
- D. The members of a firm’s Management and governance structures should have appropriate experience, knowledge, influence and authority within the firm, and sufficient time, to fulfil their assigned responsibilities.
- E. The Management of a firm should ensure that members of its governance structures, including owners, INEs and ANEs, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.

1 A firm’s most senior executives, responsible for running the business.  
2 A firm’s most senior governance body.

Provisions	2025 response
1 A firm should establish a Board <sup>2</sup> or equivalent governance structure to oversee the activities of Management.	Contained in the LLPA.
2 At least half a firm’s Board should be selected from among partners who do not have significant management responsibilities within the firm.	Refer to: UK Board Terms of Reference.
3 The chair of the Board should not also chair parts of the Management structure or be the managing partner.	Chair and CEO role separate.
4 A firm’s Management and Board should have a clear understanding of their authority, accountabilities and responsibilities. The Board should have clearly defined terms of reference, with matters specifically reserved for its decision, detailing in particular its role in relation to firm strategy, risk, culture and other matters relating to the purpose of this Code. Management should have terms of reference that include clear authority over the whole firm and matters relating to the purpose of this Code. Terms of reference should be disclosed on the firm’s website. Terms of reference for international management and governance structures taking decisions that apply to the UK should be disclosed on the UK firm’s website in the same way as for UK-based structures.	Refer to: UK Board UK ExCo Terms of Reference.
5 A firm should establish arrangements for determining remuneration and progression matters for members of the Board which support and promote effective challenge of Management.	The Chair is the ‘third pen’ for Board Members.  The Group Remuneration Committee also oversees the performance and pay for the CEO and Chair. Board Roles are not remunerated separately.
6 The individual members of a firm’s governance structures and Management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, members should be subject to reelection or re-selection.	Annual performance reviews.  The Terms of Reference include term limits.



# Audit Firm Governance Code (2022)

Continued

Provisions	2025 response
7 There should be a formal annual evaluation of the performance of the Board and any committees, plus the public interest body. <sup>3</sup> A firm should consider having a regular externally-facilitated board evaluation at least every three years.	Internal assessments annually, including external assessment every three years.
8 Management should ensure that, wherever possible and so far as the law allows, members of governance structures and INEs and ANEs have access to the same information as is available to Management.	Regular MI packs provided to the PIC and AB.  Terms of Reference also give members the authority to have access to any information required.

Provisions	2025 response
9 A firm should disclose in its annual transparency report:	
a) the names and job titles of all members of the firm's governance structures and its Management.	Refer to: <a href="#">Governance</a> ('Members' sub-sections).
b) a description of how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant <sup>4</sup> biographical details.	Refer to: <a href="#">Governance</a> : <ul style="list-style-type: none"><li>— 'Role' sub-sections</li><li>— 'Members' sub-sections</li><li>— 'Terms of Reference' sub-sections</li><li>— 'Meeting attendance' section</li></ul>
c) a description of how its governance structures and Management operate, their duties, the types of decisions they take and how they contribute to achieving the Code's purpose. If elements of the Management and/or governance of the firm rest at an international level and decisions are taken outside the UK, it should specifically set out how management and oversight is undertaken at that level and the Code's purpose achieved in the UK.	Refer to: <a href="#">Governance</a> : <ul style="list-style-type: none"><li>— 'Legal structure' section</li><li>— 'Role' sub-sections</li><li>— 'Terms of Reference' sub-sections</li></ul>
d) an explanation of the controls it has in place on individual powers of decision and to support effective challenge by Board members, how these are intended to operate and how they work in practice.	The Terms of Reference contain detail on decision making, no one individual has unfettered powers. The role of Board Members, including their ability to provide effective challenge and support to the executive is set out in the Elected Member Role Description. A copy of this is provided to every Board Member upon their induction.

<sup>3</sup> See Provision 29.

<sup>4</sup> Relevant being judged by reference as to the Code's purpose.



# Audit Firm Governance Code (2022)

Continued

## B: People, Values and Behaviour

### Principles

- F. A firm is responsible for its purpose and values and for establishing and promoting an appropriate culture,<sup>5</sup> that supports the consistent performance of high-quality audit, the firm's role in serving the public interest and the long-term sustainability of the firm.
- G. A firm should foster and maintain a culture of openness which encourages people to consult, challenge, contribute ideas and share problems, knowledge and experience in order to achieve quality work in a way that takes the public interest into consideration.
- H. A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the purpose and Principles of this Code.

<sup>5</sup> Consistent with the requirements of Provision A.1.1 of the 2019 Revised Ethical Standard for Auditors.

<sup>6</sup> Including ethical and technical standards, and the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour

Provisions	2025 response
10 A firm's Board and Management should establish the firm's purpose and values and satisfy themselves that its purpose, values and culture are aligned. If a firm's purpose and values are established at an international level, the firm should ensure it has the ability to influence that decision-making process and the ability to tailor the output for the UK.	UK Board Terms of Reference.
11 A firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and INEs should oversee compliance with it.	KPMG in the UK's Code of Conduct can be found <a href="#">here</a> .  Refer to: UK Board and Public Interest Committee Terms of Reference.
12 A firm should promote the desired culture and a commitment to quality work, professional judgement and values, serving the public interest and compliance with professional standards <sup>6</sup> and applicable legal and regulatory requirements, in particular through the right tone at the top and the firm's policies and procedures.	Ongoing communications linked to our culture to all staff and partners.  Ethical Health Report and Ethics Programme tabled quarterly at the UK Board.
13 A firm should establish policies and procedures to promote inclusion and encourage people to speak up and challenge without fear of reprisal, particularly on matters relating to this Code and the firm's values and culture.	Speak up/whistleblowing.  Ethics Champions.  Anti-retaliation tool.
14 A firm should introduce meaningful key performance indicators on the performance of its governance system, and report on performance against these in its transparency reports.	Refer to: <a href="#">Governance</a> (Key performance indicators for our governance system).

## Audit Firm Governance Code (2022)

Continued

Provisions	2025 response	Provisions	2025 response
15 A firm should assess and monitor culture. It should conduct a regular review of the effectiveness of the firm's systems for the promotion and embedding of an appropriate cultures underpinned by sound values and behaviour across the firm, and in audit in particular. INEs should be involved in this review and where a firm has implemented operational separation the ANEs should be involved in the review as it relates to the audit practice. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the purpose of this Code, it should take corrective action.	The Culture dashboard includes KPIs tabled regularly at the UK Board. Monitoring by Culture Steerco.  Refer to: Public Interest Committee and Audit Board Terms of Reference.	18 INEs and ANEs should use a range of data and engagement mechanisms to understand the views of colleagues throughout the firm and to communicate about their own roles and the purpose of this Code. One INE should be designated as having primary responsibility for engaging with the firm's people.	INEs and ANEs receive updates of the Global People Survey and Pulse Surveys. There is an annual INE and ANE engagement plan agreed.
16 A firm should establish mechanisms for delivering meaningful engagement with its people. This should include arrangements for people to raise concerns in confidence and anonymously and to report, without fear, concerns about the firm's culture, commitment to quality work, the public interest and/or professional judgement and values. The INEs should be satisfied that there is an effective whistleblowing policy and procedure in place and should monitor issues raised under that process.	Regional visits by ExCo Members and by INEs and ANEs. There is direct engagement between the Public Interest Committee Members and Audit Board Members and Ethics Champions.	19 A firm should disclose in its annual transparency report a description of how:  a) it engages with its people and how the interests of its people have been taken into account in decision making.	Refer to: 'We listen, learn and evolve' section of People and Culture.  Management information from sources such as our Global People Survey, Pulse surveys and Culture Amp is part of the firm's decision-making framework that's referenced on all recommendations or approvals being sought by the UK Board
17 INEs should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, recruitment and promotion processes, training and development activities, and diversity and inclusion, to ensure that the public interest is protected. They should monitor the firm's success at attracting and managing talent, particularly in the audit practice. Where operational separation is in place the ANEs should be involved in this process.	Refer to: Public Interest Committee Terms of Reference and Audit Board Remuneration Committee Terms of Reference.  The Chief People Officer also presents on people related policies and procedures at the Public Interest Committee meeting.	b) opportunities and risks to the future success of the business have been considered and addressed, its approach to attracting and managing talent, the sustainability of the firm's business model and how its culture, in particular in the audit practice, contributes to meeting the purpose of this Code.	Refer to: — <a href="#">Quality control and risk management</a> (Principal risks). — <a href="#">People and culture</a> .

## Audit Firm Governance Code (2022)

Continued

### C: Operations and Resilience

#### Principles

- I. A firm should promote a commitment to consistent high-quality audits and firm resilience in the way it operates. To these ends, a firm should collect and assess management information to evaluate the effectiveness of its policies and procedures and to enhance its operational decision-making.
- J. A firm should establish policies and procedures to identify, assess and manage risk, embed the internal control framework and determine the nature and extent of the principal risks the firm is willing to take while working to meet the purpose of this Code.
- K. A firm should communicate with its regulators in an open, co-operative and transparent manner.
- L. A firm should establish policies and procedures to ensure the independence and effectiveness of internal and external audit activities and to monitor the quality of external reporting.

#### Provisions

#### 2025 response

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| 20 | A firm should assist the FRC and its successor bodies to discharge its duties by sharing information openly.  | This is in line with our normal business activity but is supported by our Values, Engaging with Regulators Policy and Code of Conduct.                      |
| 21 | A firm should take action to address areas of concern identified by regulators in relation to the firm's audit work, leadership and governance, culture, management information, risk management and internal control systems.  | This is managed by our Regulatory Affairs and Oversight Team and Audit Regulatory and Compliance Teams.   |
| 22 | A firm should develop robust datasets and effective management information to support monitoring of the effectiveness of its activities, including by INEs (and ANEs), and its ability to furnish the regulator with information.   | Refer to: Emerging Risk Management (ERM) framework which is reported regularly at various governance meetings. This is also included in monthly MI reports. |
| 23 | A firm should establish an audit committee and disclose on its website its terms of reference and information on its membership. Its terms of reference should set out clearly its authority and duties, including its duties in relation to the appointment and independence of the firm's auditors. Where a firm's audit committee sits at an international level, information about the committee and its work should be disclosed by the UK firm as if it were based in the UK. | Refer to: UK Audit and Risk Committee.  |
| 24 | A firm should monitor its risk management and internal control systems, and, at least annually, conduct a review of their effectiveness. INEs should be involved in the review which should cover all significant controls, including financial, operational and compliance controls and risk management systems.   | Refer to: UK Audit and Risk Committee.  |

## Audit Firm Governance Code (2022)

Continued

Provisions	2025 response	Provisions	2025 response
25 A firm should carry out a robust assessment of the principal risks facing it, including those that would threaten its business model, future performance, solvency or liquidity. This should reference specifically the sustainability of the audit practice in the UK. INEs (and in firms with operational separation, ANEs) should be involved in this assessment.	Refer to: UK Audit and Risk Committee.  Audit Board and Public Interest Committee Terms of Reference.	d) confirmation that it has performed a review of the effectiveness of the system of internal control, a summary of the process it has applied and the necessary actions that have been or are being taken to remedy any significant failings or weaknesses identified from that review.	Refer to: <a href="#">Quality control and risk management</a> :  — Statement by the Board on the effectiveness of internal controls (page 18).  — Statement on the effectiveness of the System of Quality Management (page 3).
26 A firm should publicly report how it has applied the Principles of this Code, and make a statement on its compliance with its Provisions or give a detailed explanation for any non-compliance, i.e. why the firm has not complied with the Provision, the alternative arrangements in place and how these work to achieve the desired outcome (Principle) and the purpose of this Code.	This tracker demonstrates how the Firm has applied all of the principles of the Code and it is approved annually by the UK Board.	e) a description of the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary.	No material internal control issues disclosed in the financial statements.
27 A firm should explain who is responsible for preparing the financial statements and the firm's auditors should make a statement about their reporting responsibilities in the form of an extended audit report as required by International Auditing Standards (UK) 700/701.	Refer to: UK Audit and Risk Committee and UK Board.	f) an assessment of the principal risks facing the firm and explanation of how they are being managed or mitigated.	Refer to: <a href="#">Quality control and risk management</a> (Principal risks).
28 The transparency report should be fair, balanced and understandable in its entirety. A firm should disclose in its transparency report:	The Board has considered the disclosures within the 2025 Transparency Report and considers the report to be fair, balanced and understandable and in compliance with the 2022 Audit Firm Governance Code.	g) a description of how it interacts with the firm's global network, and the benefits and risks of these arrangements, with reference to the purpose of this Code. This should include an assessment of any risks to the resilience of the UK firm.	Refer to: <a href="#">Governance</a> (Legal structure).
a) a commentary on its performance, position and prospects.	Refer to the report of the Chief Executive.		
b) how it has worked to meet the legal and regulatory framework within which it operates.	Refer to reports of the Risk Committee, Audit Committee and UK Board.		
c) a description of the work of the firm's audit committee and how it has discharged its duties arising from the network and any action taken to mitigate those risks.	Refer to: <a href="#">Governance</a> (Audit Committee)		



# Audit Firm Governance Code (2022)

Continued

## D: INEs and ANEs

### Principles

- M. A firm should appoint INEs to the governance structure who through their involvement collectively enhance the firm's performance in meeting the purpose of this Code. INEs should be positioned so that they can observe, challenge and influence decision-making in the firm.
- N. INEs (and ANEs) should provide constructive challenge and specialist advice with a focus on the public interest. They should assess and promote the public interest in firm operations and activities as they relate to the purpose of this Code, forming their own views on where the public interest lies.
- O. INEs (and ANEs) should maintain and demonstrate objectivity and an independent mindset throughout their tenure. Collectively they should enhance public confidence by virtue of their independence, number, stature, diverse skillsets, backgrounds, experience and expertise. They should have a combination of relevant skills, knowledge and experience, including of audit and a regulated sector. They owe a duty of care to the firm and should command the respect of the firm's owners.
- P. INEs (and ANEs) should have sufficient time to meet their responsibilities. INEs (and ANEs) should have rights consistent with discharging their responsibilities effectively, including a right of access to relevant information and people to the extent permitted by law or regulation, and a right, individually or collectively, to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly.
- Q. INEs (and ANEs) should have an open dialogue with the regulator.

### Provisions

### 2025 response

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| <p>29 INEs should number at least three, be in the majority on a body chaired by an INE that oversees public interest matters and be embedded in other relevant governance structures within the firm as members or formal attendees with participation rights. If a firm considers that having three INEs is unnecessary given its size or the number of public interest entities it audits, it should explain this in its transparency report and ensure a minimum of two at all times. At least one INE should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company's finance function or at an audit firm.</p> | <p>As of 30 September 2025, KPMG has eight INEs; four are INEs, two are ANEs and two are INEs and ANEs. As at close of business on the 30 September 2025, one INE and one ANE and INE stepped down on completion of their terms.</p> <p>Please refer to Statement by the Independent Non-Executives and Audit Non-Executives and PIC and Audit Board reports.</p> |
| <p>30 INEs should meet regularly as a private group to discuss matters relating to their remit. Where a firm adopts an international approach to its management and/or governance it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this jurisdiction. The firm should disclose on its website the terms of reference and composition of any governance structures whose membership includes INEs, whether in the UK or another jurisdiction.</p>   | <p>INEs met monthly as a private group during the year. There were at least three INEs during the year focusing on the UK business.</p> <p>Please refer to page 24 – PIC roles and members.</p>   |
| <p>31 INEs should have full visibility of the entirety of the business. They should assess the impact of firm strategy, culture, senior appointments, financial performance and position, operational policies and procedures including client management processes, and global network initiatives on the firm and the audit practice in particular. They should pay particular attention to and report in the transparency report on how they have worked to address: risks to audit quality; the public interest in a firm's activities and how it is taken into account; and risks to the operational and financial resilience of the firm.</p>                             | <p>Refer to: Statement by the Independent Non-Executives and Audit Non-Executives.</p> <p>Refer to PIC and Audit Board reports.</p>   |

## Audit Firm Governance Code (2022)

Continued

Provisions	2025 response	Provisions	2025 response
32 A firm should establish a nomination committee, with participation from at least one INE, to lead the process for appointments and re-appointments of INEs (and ANEs), to conduct a regular assessment of gaps in the diversity of their skills and experience and to ensure a succession plan is in place. The nomination committee should assess the time commitment for the role and, when making new appointments, should take into account other demands on INEs' (and ANEs') time. Prior to appointment, significant commitments should be disclosed with an FRC   Proposed Revisions to the Audit Firm Governance Code   April 2022 12 indication of the time involved. Additional external appointments should not be undertaken without prior consultation with the nomination committee.	The Independent Non-Executive chair of our Public Interest Committee attends the Group Nominations Committee.	37 The firm should provide each INE (and ANE) with the resources necessary to undertake their duties including appropriate induction, training and development, indemnity insurance and access to independent professional advice at the firm's expense where an INE or ANE judges such advice necessary to discharge their duties.	Refer to: Statement by the Independent Non-Executives and Audit Non-Executives.
33 A firm should provide access for INEs to relevant information on the activities of the global network such that they can monitor the impact of the network on the operations and resilience of the UK firm and the public interest in the UK.	Public Interest Committee MI includes global matters. The Public Interest Committee Terms of Reference refers to their ability to obtain information that is necessary.	38 The firm should establish, and disclose on its website, well defined and clear escalation procedures compatible with Principle P, for dealing with any fundamental disagreement that cannot otherwise be resolved between the INEs (and/or ANEs) and members of the firm's Management and/or governance structures.	Refer to: Terms of Reference for the Public Interest Committee and Audit Board
34 INEs should have regular contact with the Ethics Partner, who should under the ethical standards have direct access to them. <sup>7</sup>	The members of the Public Interest Committee have a private meeting with the Ethics Partner after every Public Interest Committee meeting.	39 An INE (and / or ANE) should alert the regulator as soon as possible to their concerns in the following circumstances: <ul style="list-style-type: none"> <li>— the INE or ANE believes the firm is acting contrary to the public interest; or</li> <li>— the INE or ANE believes the firm is endangering the objectives of this Code; or</li> <li>— the INE or ANE initiates the procedure for fundamental disagreements.</li> </ul>	No such instances have arisen during the year ended 30 September 2025.
35 INEs should have dialogue with audit committees and investors to build their understanding of the user experience of audit and to develop a collective view of the way in which their firm operates in practice.	The INEs and ANEs have a dialogue with audit committees and investors throughout the year.  Refer to: Statement by the Independent Non-Executives and Audit Non-Executives	40 A firm should disclose in its annual transparency report: <ul style="list-style-type: none"> <li>a) information about the appointment, retirement and resignation of INEs (and ANEs); their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its INEs in the way it has.</li> <li>b) its criteria for assessing whether INEs (and ANEs) are: i) independent from the firm and its owners; and ii) independent from its audited entities.</li> </ul>	Refer to: Appointment and Independence of the INEs and ANEs.  Refer to: Appointment and Independence of the INEs and ANEs.
36 Firms should agree with each INE (and ANE) a contract for services setting out their rights and duties. INEs (and ANEs) should be appointed for specific terms and have a maximum tenure of nine years in total.	All INEs and ANEs have a contract for services. No INE or ANE has had a tenure in excess of nine years.		Refer to: Appointment and Independence of the INEs and ANEs.

<sup>7</sup> Paragraph 1.14 of the FRC's 2019 Ethical Standard for Auditors.

# Audit Firm Governance Code (2022)

Continued

## E: Operational Separation

### Principles

- R. Where a firm applies the Principles for Operational Separation, has established an Audit Board with a majority of ANEs<sup>8</sup> and is subject to regulatory monitoring of these arrangements, ANEs will fulfil the responsibilities of INEs under this Code in so far as these relate to the audit practice. A firm’s INEs will focus on representing the public interest in high quality audit at the firm-wide level as well as on the public interest in firm activities in non-audit parts of the business and the risks posed by these non-audit activities to the audit practice. In fulfilling their role ANEs should follow the Principles set out in section D as applied to the audit practice.
- S. INEs should rely on ANEs to provide independent oversight of audit quality plans, audit strategy and remuneration in the audit practice. ANEs should rely on the INEs to monitor activities at the firm-wide and network levels for their potential impact on the audit practice.

Provisions	2024 response
41 ANEs should have the same obligations regarding time commitment, independence and objectivity as INEs. They should focus their attention on the audit practice in accordance with the Principles for Operational Separation <sup>9</sup> . The Audit Board should have the authority to act independently of the firm-wide public interest body.	Refer to: Appointment and Independence of the INEs and ANEs.  Refer to: Audit Board Terms of Reference.
42 INEs should participate in governance structures operating across the entirety of the firm and pursue the purpose of this Code at the firm-wide level. They should:  i) monitor the activities of the wider firm and global network for their potential to affect audit quality and the resilience of the audit practice; and  ii) ensure the firm takes account of the public interest in its wider decision making.	The INEs and ANEs observe the UK Board, UK Audit and Risk Committee, Chair of PIC and INE attends the Group Board, Group Nomination Committee and Group Audit and Risk Committee meetings throughout the year. Attendance can be seen in Appendix 2. They do not carry votes on the UK Board or its other Committees, however they have had access and opportunity to question and challenge KPMG leadership in the UK at these meetings.
43 INEs and ANEs should maintain open dialogue, consult on matters of public interest and share information with one another to the extent this is relevant for the Audit Board’s oversight of the audit practice and/or the effective discharge of the INEs’ responsibilities at the firm-wide level. They should inform one another in the event they invoke the procedure for fundamental disagreements.	One of the Independent Non Executives is both an INE and ANE, which supports this dialogue. The Audit Board Chair is invited to attend the Public Interest Committee. The Chair of the Public Interest Committee and the Chair of the Audit Board meet privately through the year to discuss matters arising.

8 As required by Principle 3 of the Principles for Operational Separation.

9 As required by Principle 1 of the Principles for Operational Separation.

# Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council

as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

**Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council – as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 – requires a statutory auditor that carries out the statutory audit of a public interest entity, to publish a signed, annual transparency report (see [2025 KPMG UK Transparency Report](#)).**

The Regulation requires that the Report is published at the latest four months after the end of each financial year, on the website of the statutory auditor, and shall remain available on that website for at least five years from the day of its publication on the website (KPMG in the UK’s historical reports can be found in our [Report hub](#)).

The Regulation requires the Report to comprise specific disclosures. KPMG in the UK’s response to these requirements is shown below.

Para.	Requirement	2025 response
2(a)	A description of the legal structure and ownership of the statutory auditor, if it is a firm;	Refer to: <a href="#">Governance</a> (Legal structure).
2(b)	Where the statutory auditor is a member of a network:	
(i)	a description of the network and the legal and structural arrangements in the network;	Refer to: <a href="#">Governance</a> (Legal structure).
(ii)	the name of each member of the network that is eligible for appointment as a statutory auditor, or is eligible for appointment as an auditor in an EEA state or Gibraltar;	<b>Gibraltar</b> KPMG operates in Gibraltar through KPMG LLP’s wholly owned subsidiary, KPMG Limited, a company registered in Gibraltar. KPMG Limited is approved as a statutory auditor by the Gibraltar Financial Services Commission under the Gibraltar Financial Services Act 2019.
(iii)	for each member of the network identified under paragraph (ii), the countries in which they are eligible for appointment as auditors or in which they have a registered office, central administration or principal place of business;	Refer to: <a href="#">2025 Gibraltar Transparency Report</a> .  <b>EU/EEA countries</b> The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available <a href="#">here</a> .

# Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council

Continued

Para.	Requirement	2025 response
	(iv) the total turnover of the members of the network identified under (ii) resulting from statutory audit work or equivalent work in EEA states of Gibraltar.	<p><b>Gibraltar</b></p> <p>Refer to: <a href="#">2025 Gibraltar Transparency Report</a> (Financial information).</p> <p><b>EU/EEA Member States</b></p> <p>Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements.<sup>10</sup></p> <p>Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.7 billion during the year ending 30 September 2025. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2025.</p> <p>The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available <a href="#">here</a>.</p>
2 (c)	A description of the governance structure of the statutory auditor, if it is a firm;	Refer to: <a href="#">Governance</a> .
2 (d)	A description of the internal quality control system of the statutory auditor and a statement by the management body on the effectiveness of its functioning;	<p>Refer to: <a href="#">Quality control and risk management</a>:</p> <ul style="list-style-type: none"> <li>— Statement by the Board on the effectiveness of internal controls (page 18).</li> <li>— Statement on the effectiveness of the System of Quality Management (page 3).</li> </ul>

<sup>10</sup> The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

Para.	Requirement	2025 response
2 (e)	An indication of when the last quality assurance review referred to in Article 26 was carried out;	Refer to: <a href="#">Audit quality</a> (Perform quality engagements).
2 (f)	A list of public-interest entities for which the statutory auditor carried out statutory audits during the preceding financial year;	Refer to: <a href="#">Appendix 1: UK Public Interest Entities</a> .
2 (g)	A statement concerning the statutory auditor's independence practices which also confirms that an internal review of independence compliance has been conducted;	Refer to: <a href="#">Quality control and risk management</a> (Maintaining an objective and independent mindset).
2 (h)	A statement on the policy followed by the statutory auditor concerning the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006;	<p>Refer to:</p> <ul style="list-style-type: none"> <li>— <a href="#">Audit quality</a> (Apply expertise and knowledge).</li> <li>— For information on how we ensure Key Audit Partners remain competent to deliver local audits, refer to: <a href="#">Appendix 6: UK Major Local Audits listing</a>.</li> </ul>
2 (i)	Information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm;	Refer to: <a href="#">People and culture</a> (Uphold the highest ethical and quality standards).
2 (j)	A description of the statutory auditor's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7);	Refer to: <a href="#">Quality control and risk management</a> (Maintaining an objective and independent mindset).



# Article 13 (Transparency Report) of Regulation (EU) No 537/2014 of the European Parliament and of the Council

Continued

Para.	Requirement	2025 response
2 (k)	Where not disclosed in accounts, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories:  (i) revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;  (ii) revenues from the statutory audit of accounts of other entities;  (iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor; and  (iv) revenues from non-audit services to other entities.	Refer to: <a href="#">Appendix 7: Financial information</a> .
3	The transparency report shall be signed by the statutory auditor	Refer to <a href="#">page 2</a> of this document.



# The Local Auditors (Transparency) Regulations 2020

**The Local Auditors (Transparency) Regulations 2020 requires a “transparency reporting local auditor” (a local auditor that has issued an audit report in relation to one or more major local audits at any time during the financial year of that local auditor) to publish a signed, annual transparency report (see [2025 KPMG UK Transparency Report](#)).**

The Regulation requires that the Report is published at the latest four months after the end of each financial year, on the website of the transparency reporting local auditor, and shall remain available on that website for at least five years from the day of its publication on the website (KPMG in the UK’s historical Reports can be found in our [Report hub](#)).

The Regulation requires the Report to comprise specific disclosures. KPMG in the UK’s response to these requirements is shown below.

Para.	Requirement	2025 response
(a)	A description of the legal structure, governance and ownership of the transparency reporting local auditor;	Refer to: <a href="#">Governance</a> .
(b)	Where the transparency reporting local auditor belongs to a network, a description of the network and the legal, governance and structural arrangements of the network;	Refer to: <a href="#">Governance</a> (Legal structure).
(c)	A description of the internal quality control system of the transparency reporting local auditor and a statement by the administrative or management body on the effectiveness of its functioning in relation to local audit work;	Refer to: <a href="#">Quality control and risk management</a> : <ul style="list-style-type: none"> <li>— Statement by the Board on the effectiveness of internal controls (page 18).</li> <li>— Statement on the effectiveness of the System of Quality Management (page 3).</li> </ul>
(d)	A description of the transparency reporting local auditor’s independence procedures and practices including a confirmation that an internal review of independence practices has been conducted;	Refer to: <a href="#">Quality control and risk management</a> (Maintaining an objective and independent mindset).
(e)	Confirmation that all engagement leads are competent to undertake local audit work and staff working on such assignments are suitably trained;	Refer to: <a href="#">Appendix 5: UK Public Interest Entities</a> .
(f)	A statement of when the last monitoring of the performance by the transparency reporting local auditor of local audit functions, within the meaning of paragraph 23 of Schedule 10 to the 2006 Act, as applied in relation to local audits by Section 18 and paragraphs 1, 2 and 28(7) of Schedule 5 to the 2014 Act, took place;	Refer to: <a href="#">Audit quality</a> (Perform quality engagements).
(g)	A list of major local audits in respect of which an audit report has been made by the transparency reporting local auditor in the financial year of the auditor; and any such list may be made available elsewhere on the website specified in regulation 4 provided that a clear link is established between the transparency report and such a list;	Refer to: <a href="#">Appendix 6: UK Major Local Audits listing</a> .
(h)	A statement on the policies and practices of the transparency reporting local auditor designed to ensure that persons eligible for appointment as a local auditor continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level;	Refer to: <a href="#">Appendix 6: UK Major Local Audits listing</a> .
(i)	Turnover for the financial year of the transparency reporting local auditor to which the report relates, including the showing of the importance of the transparency reporting local auditor’s local audit work; and	Refer to: <a href="#">Appendix 7: Financial information</a> .
(j)	Information about the basis for the remuneration of partners.	Refer to: <a href="#">People and culture</a> (Uphold the highest ethical and quality standards).

# Consultative Committee of Accountancy Bodies Voluntary Code of Operative Practice on Disclosure of Audit Profitability (March 2009)

**Following the recommendation from the Market Participants Group in 2007 that “audit firms should disclose the financial results of their work on statutory audits and directly related services on a comparable basis”, the Consultative Committee of Accountancy Bodies developed guidance (the Code) for audit firms on the voluntary disclosure of this information.**

The Code establishes a basis for comparable reporting of audit profitability by defining the audit segment (the ‘reportable segment’) and suggesting principles designed to achieve more comparable and consistent treatment of costs relating to that segment.

KPMG in the UK’s voluntary disclosure of this information can be found in [Appendix 7: Financial information](#).





# Operational Separation financial disclosure

**The FRC principles for operational separation of the audit practices of the Big Four firms have been implemented by KPMG in the UK.**

The stated objectives of operational separation are to improve audit quality by ensuring that people in the audit practice are focused above all on delivery of high-quality audits in the public interest; and to improve audit market resilience by ensuring that no material, structural cross subsidy persists between the audit practice and the rest of the firm. The FRC note that in pursuing these objectives, they seek to ensure that audit remains an attractive and reputable profession and increase deserved confidence in audit.

Para.	Requirement	2025 response
P19	Firms should publish information about the governance of the audit practice and the terms on which transactions occur between the audit and non-audit business and the nature of these transactions.	Please see <a href="#">Appendix 7, Financial Information</a> .
P20	Firms should annually produce a separate profit and loss account for the audit practice to a level of detail which is consistent with the firm's own published statutory financial statements. Firms should submit more detailed financial information supporting the profit and loss account to the FRC no later than four months after the financial year end.  After an agreed transition period, firms should publish the audit practice's profit and loss account described above in their Transparency Reports.  Firms should provide to the FRC their budget for the audit practice and sensitivities for the coming year.	Please see <a href="#">Appendix 7, Financial Information</a> .



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# Appendix 1: Legal structure

KPMG LLP is constituted as a limited liability partnership under the Limited Liability Partnerships Act 2000. The capital in KPMG LLP is contributed by its members (the members are referred to as partners).

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a corporate multinational. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly. Professional services to clients are exclusively provided by member firms who remain solely responsible and liable in respect of these services.

Each firm is part of one of three regions (the Americas, ASPAC and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International. KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG

International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the legal and governance arrangements for the KPMG global organization can be found on the [About Us](#) page of kpmg.com.

The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available [here](#).



## Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements<sup>11</sup>

Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.7 billion during the year ending 30 September 2025. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2025.

<sup>11</sup> The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

# Appendix 2: Meeting attendance

Meeting attendance records for the year ended 30 September 2025

	Board	Public Interest Committee	Audit Board	Audit & Risk Committee	Executive Committee
Bina Mehta	9 (9)	4 (4)	1 (1)	10 (12)	-
Jonathan Holt	7 (9)	-	-	-	5(5)
Chris Hearld	9 (9)	-	-	11 (12)	5 (5)
Annette Barker*	6 (6)	-	-	10 (10)	-
Jonathan Downer	9 (9)	-	-	12 (12)	-
Robin Walduck*	7 (7)	-	5 (6)	-	-
Louise Kirby*	0 (1)	-	-	-	-
Suvro Dutta*	3 (3)	-	-	-	-
Katie Clinton*	3 (3)	-	-	2 (2)	-
John Bennett*	2 (3)	3 (3)	-	6 (9)	3 (3)
Catherine Burnet	-	-	6 (6)	-	5 (5)
Lisa Fernihough	-	-	-	-	4 (5)
Karl Edge	-	-	-	-	5 (5)
Karim Haji	-	-	-	-	5 (5)
Victoria Heard	-	-	-	-	5 (5)
Rachel Hopcroft*	-	-	-	-	2 (2)
Richard Faulkner*		2 (2)	-		2 (2)
Anne Bulford	6 (7)	4 (4)	-	11 (12)	-
Jonathan Evans	5 (8)	4 (4)	-	-	-
Ian Tyler	1 (1)	-	-		-
Brian McBride	2 (4)	1 (1)	-	1 (3)	-
Susan Gilchrist	2 (2)	-	-		-
Melanie Hind	-	1 (1)	6 (6)	9 (12)	-
Claire Ighodaro	7 (7)	4 (4)	6 (6)	-	-
Kathleen O'Donovan	5 (7)	4 (4)	6 (6)	-	-

## Key information

- The number of meetings included are formal meetings.
- Numbers in blue italics relate to standing invitees of the Committees only and as such attendance is optional.
- Meetings eligible to attend are shown in brackets
- For the Audit Board, the Chair and the Chief Risk Officer are invited on a periodic basis.

\* The following changes took place during the reporting period:

- Annette Barker stepped down as a Board member on 30 May 2025.
- Robin Walduck became a Board member on 1 January 2025 and member of the Audit Board on 7 November 2024.
- Louise Kirby stepped down as a Board member on 30 November 2024.
- Suvro Dutta became a Board member on 2 June 2025.
- Katie Clinton became a Board member on 2 June 2025 and a member of the Audit & Risk Committee on 27 June 2025.
- Bina Mehta became a member of the Audit & Risk Committee on 1 October 2024.
- Jonathan Downer became Chair of the Audit & Risk Committee on 1 October 2024.
- Rachel Hopcroft stepped down as a member of the Executive Committee and left the Firm on 30 December 2024.
- John Bennett stepped down as CRO and as a member of the Executive Committee on 31 March 2025.
- Richard Faulkner was appointed as CRO and became a member of the Executive Committee on 1 April 2025.
- Brian McBride was appointed Independent Non-Executive and became a member of the Public Interest Committee on 1 March 2025.
- Susan Gilchrist was appointed Independent Non-Executive and became a member of the Public Interest Committee on 1 August 2025.
- Ian Tyler was appointed Independent Non-Executive and Audit Non-Executive and became a member of the Public Interest Committee and Audit Board on 1 September 2025.

# Appendix 3: Key performance indicators for our governance system

Our governance KPIs are selected for purposes of assessing the performance of our governance arrangements from the perspectives of not only ensuring there is regular, skilled and diverse oversight of the firm’s delivery of its strategic and public interest objectives, but also maintaining the independence and objectivity of that oversight.

Key Performance Indicator	2025 response
The Board should meet at least six times each year with a minimum attendance target of 80% over a 12-month rolling period.	The Board had nine business as usual meetings and two ad-hoc meetings with an average attendance of 86%.
The gender diversity of the Board should be composed of a minimum one third women.	As at 30 September 2025 the Board included 29% female members.
There should be a diverse range of skills represented in the composition of the Board (by reference to each triennial evaluation of Board effectiveness).	There is a diverse range of skills represented on the Board and a skills matrix to maintain appropriate diversity of skills. The skills matrix has been updated during the year to reflect the appointment of two new UK Elected Board members during the year and one Elected Board member stepping down to become the UK Ethics Partner.
As part of the firm’s culture assessment, the firm should hold an annual People Survey or Pulse Survey, with the Board acting upon the findings.	A Global People Survey was undertaken in autumn 2025. The UK findings (which provide data on engagement and other key metrics about partners’ and employees’ relationships with the Firm) are scheduled to be tabled at the Board in November where results will be discussed and action taken where appropriate. Actions arising as a result of the review will be reported on in the FY26 Transparency Report.
There should be at least three UK INEs, and the Public Interest Committee should meet at least four times each year. On an annual basis, the Board must satisfy itself that the INEs remain independent from the firm.	At 30 September 2025 there were eight <sup>12</sup> INEs. The Public Interest Committee had four formal meetings during the year. The Board has considered and (based on compliance returns, disclosures and relevant independence checks) is satisfied that the INEs remain independent from the firm.
The Audit Board should meet at least six times each year to oversee the focus on audit quality.	The Audit Board had six business-as-usual meetings.

Key Performance Indicator	2025 response
The Board should review the annual Transparency Report to satisfy itself that it is fair, balanced and understandable, and complies with the Audit Firm Governance Code, or explains otherwise.	The Board has considered the disclosures within the Transparency Report and considers the report to be fair, balanced and understandable and in compliance with the Audit Firm Governance Code.
The terms of reference for all Board Committees are reviewed annually as a minimum.	The Terms of Reference for all Boards and Committees were reviewed during the year.
External Board evaluation conducted tri-annually.	An external review commenced during 2025. Actions arising as a result of the review will be reported on in the FY26 Transparency Report.
There is an annual self-assessment of Board and Committees’ effectiveness (unless external review is undertaken).	The UK ARC completed a self-assessment during the year and actions are in the process of being implemented. An external review was undertaken for the Group which included a review of the UK Board and recommendations are being discussed.
The Board comprises a minimum of one practising audit partner.	Jonathan Downer is a practising auditor.
Board comprises more than 50% members who are qualified auditors (per s.1219 of the Companies Act 2006 or equivalent). The cumulative number of Elected Board Members and Nominated Board Members of the Board shall always make up the majority of the Board. There shall at all times be a majority of Qualified Individuals (under the applicable auditor qualifications regulations) as members of the Board, as set out in the LLP Agreement; of which at least one of the Elected Board Members or Nominated Board Members shall be practising auditors.	During the year, and as at 30 September 2025, the Board comprised 86% of members who are qualified auditors, and at least one of the Elected Board Members was a practising auditor.
The Board should satisfy itself on at least an annual basis that a formal programme of investor dialogue is occurring.	During the year, 6 notes were sent from the Group Board to Partners. In addition, an Annual Partner Conference was held on 30 September 2025 which provided UK Board members, Group Board members and Partners an opportunity Partners to engage with each other.

12 At close of business on 30 September 2025 one INE and one ANE and INE stepped down at the end of their terms.

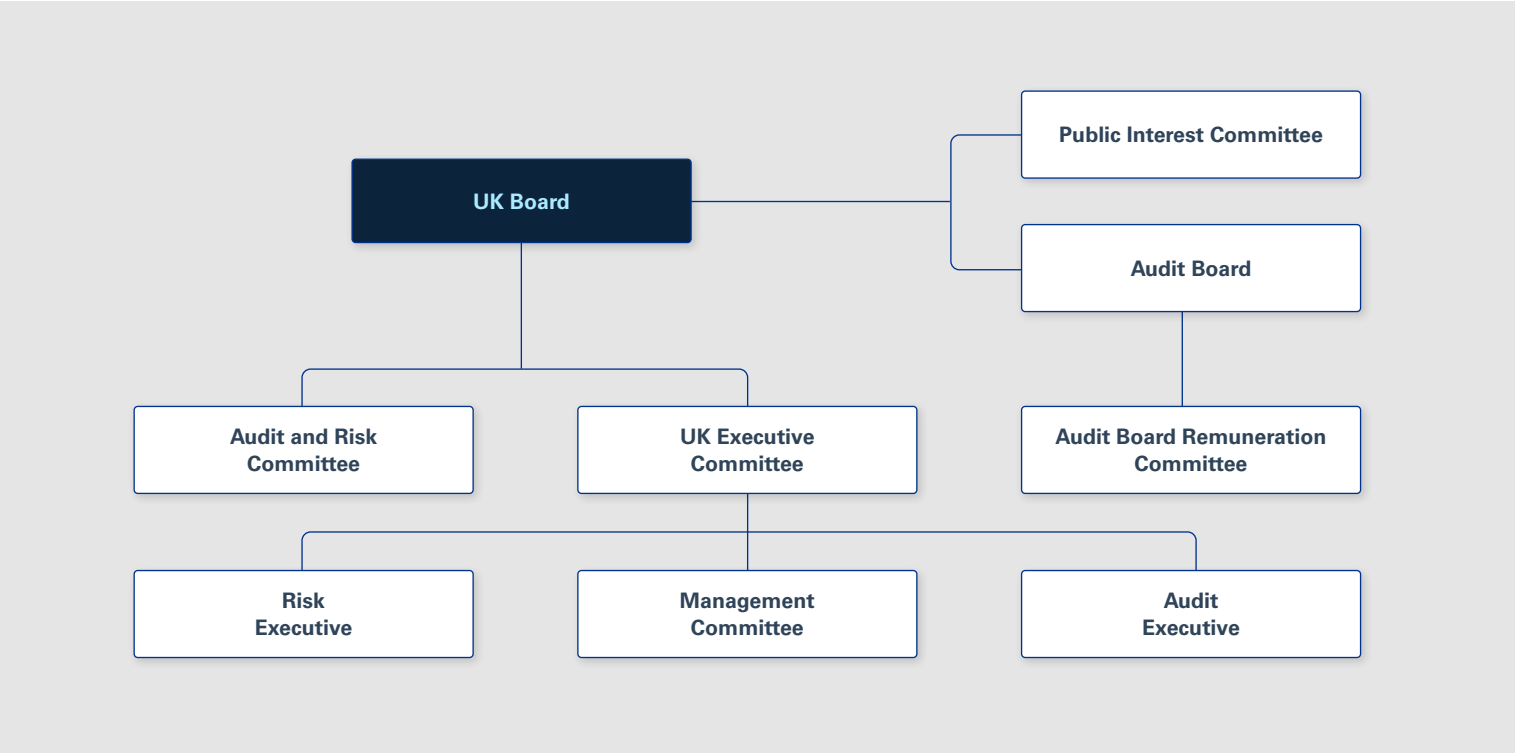
# Appendix 4: Board and Committees of the Board membership

As at 30 September 2025, our UK Board was made up of seven members:

- The Chair
- The Chief Executive
- Four additional Elected Board Members, who are elected by the Partners
- An additional Executive Board Member, who is nominated by the Chief Executive.

More information about the role, membership and activities delivered during FY25 for each of the governance forums above is provided in the Governance section of the Transparency Report.

Governance structure at 30 September 2025



## Appendix 4: Board and Committees of the Board membership

Continued

### UK Board

#### Bina Mehta

UK Chair

Bina has been a partner since 2015. She became Chair of the UK Board in February 2021. Bina's tenure was extended in September 2023 to end on 31 March 2026.

#### Jon Holt

Group Chief Executive and UK Senior Partner

Jon has been a partner since 2005. He became a member of the UK Board in April 2021. Jon's tenure was extended in March 2024 to end on 30 September 2029.

#### Chris Hearld

Group and UK Managing Partner

Chris has been a partner since 2004. Chris was appointed as an Executive Member of the Board in his capacity as Chief Operating and Financial Officer with effect from 1 October 2022 and more recently as Group and UK Managing Partner (as at the year-end, this equates to three years of service as a member of the Board).

#### Jonathan Downer

Elected Member

Jonathan has been a partner since 2006 and joined the Board in March 2022 (as at the year-end, this equates to three and a half years of service as a member of the Board). Jonathan is a member of the UK Audit and Risk Committee and Audit Board and is a practising auditor.

#### Robin Walduck

Elected Member

Robin has been a partner since 2010. Robin became a member of the UK Board on 1 January 2025 and is also a member of the Audit Board (as at the year-end, this equates to 9 months of service as a member of the UK Board).

#### Suvro Dutta

Elected Member

Suvro has been a partner since 2013. Suvro became a member of the UK Board on 2 June 2025 (as at the year-end, this equates to 4 months of service as a member of the UK Board).

#### Katie Clinton

Elected Member

Katie has been a partner since 2014. Katie became a member of the UK Board on 2 June 2025. Katie is also a member of the UK Audit and Risk Committee (as at the year-end, this equates to 4 months of service as a member of the UK Board).

### The Executive Committee

#### Jon Holt

Group Chief Executive and UK Senior Partner

Jon has been a partner since 2005. Jon became Chair of the Executive Committee in April 2021 (as at the year-end, this equates to over four years of service as Chair).

#### Chris Hearld

Group and UK Managing Partner

Chris has been a partner since 2004. Chris has been a member of the Executive Committee since June 2019 (as at the year-end, this equates to over six years of service as a member of the Executive Committee).

#### Cath Burnet

Group and UK Head of Audit

Cath has been a partner since 2011. Cath has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over four years of service as a member of the Executive Committee).

#### Richard Faulkner

Group and UK Chief Risk Officer

Richard has been a partner since 2012. Richard has been a member of the Executive Committee since April 2025 (as at the year-end, this equates to 6 months as a member of the Executive Committee).

#### Victoria Heard

Group and UK Head of Tax and Legal

Victoria has been a partner since 2014. Victoria has been a member of the Executive Committee since June 2021 (as at the year-end, this equates to over four years of service as a member of the Executive Committee).

#### Lisa Fernihough

Group and UK Head of Advisory

Lisa has been a partner since 2011. Lisa has been a member of the Executive Committee since January 2023 (as at the year-end, this equates to over two years as a member of the Executive Committee).

#### Karl Edge

UK Chief People Officer

Karl has been a partner since 2005. Karl has been a member of the Executive Committee since January 2024 (as at the year-end, this equates to 18 months as a member of the Executive Committee).

#### Karim Haji

Group Head of Markets

Karim has been a partner since 2009. Karim has been a member of the Executive Committee since June 2024 (as at the year-end, this equates to one year as a member of the Executive Committee).



## Appendix 4: Board and Committees of the Board membership

Continued

### Independent Non-Executives as at 30 September 2025

#### Lord Evans of Weardale

Chair of the Public Interest Committee  
Jonathan Evans joined the Public Interest Committee on 23 March 2017 and became its Chair on 1 October 2019. Jonathan was Director General of MI5 from 2007 to his retirement in 2013, having spent his career in the UK Security Service.

From 2013 to 2019 he was a Non-Executive Director of HSBC Holdings and between 2018 – 2023 he was the Chair of the Committee on Standards in Public Life. Jonathan is currently a Non-Executive Director of Ark Data Centres Limited, an advisor to several small tech companies and Chairman of The HALO Trust. Jonathan also became a member of the International Advisory Council of the Institute of Business Ethics in January 2024.

#### Anne Bulford CB

Member of the Public Interest Committee  
Anne joined the Public Interest Committee on 1 May 2019. She is a Chartered Accountant, a Non-Executive Director of Reach plc, Chair of GOSH Children's Charity and a Royal Ballet Governor. Previous roles include Non-Executive member of the Executive Committee of the Army Board, Deputy Director General of the BBC, Channel 4's Chief Operating Officer, Director of Finance and Business Affairs at the Royal Opera House, Chair of Ofcom's Audit Committee and Finance Director at Carlton Productions.

#### Kathleen O'Donovan

Member of the Public Interest Committee and Audit Board member  
Kathleen O'Donovan joined the Public Interest Committee on 1 July 2019. Kathleen is currently the Chair of the Invensys Pension Scheme and Founder Partner of Bird & Co Board & Executive Mentoring Ltd.

Formerly she has held Non-Executive Director roles at ARM Holdings Plc, D S Smith plc, Prudential plc, O2 Plc, Great Portland Estates plc, EMI Group plc and the Bank of England. Kathleen was also co-Chair of International Rescue Committee UK, a charity supporting conflict zone refugees. Kathleen trained as a Chartered Accountant and her previous roles include CFO of BTR plc/Invensys plc and Partner at EY.

#### Brian McBride

Member of the Public Interest Committee  
Brian joined the Public Interest Committee on 1 March 2025. He is Chair at Trainline PLC and a Senior Adviser with Scottish Equity Partners. He was Lead Non-Executive Director on the Board of the UK's Ministry of Defence, a UK Prime Ministerial appointment until 31 March 2025.

He was CEO of Amazon.co.uk from 2006 to 2011. He also held senior roles at IBM in the US and UK, was VP UK and Northern Europe for Dell Computers, and Managing Director of T-Mobile (UK). Brian was Chairman of ASOS PLC from 2012 to 2018. He has been a Non-Executive



Director of Celtic Football Club PLC, SThree PLC, Computacenter PLC, AO.com, Kinnevik AB, and Abdn PLC (was Standard Life). He has served as a Non-Executive Director on the Board of the BBC, as a member of the Huawei Advisory Board and as a Senior Adviser to Lazard's Global Financial Advisory business. He stepped down as President of the CBI having led the organisation through the greatest crisis in its history.

#### Susan Gilchrist

Member of the Public Interest Committee  
Susan Gilchrist joined the Public Interest Committee on 1 August 2025. Susan is Chair, Global Clients, of Brunswick. Her work reflects the international scope and breadth of the firm's offering and includes counselling clients on major crises, critical issues, mergers and acquisitions, and ongoing corporate reputation building efforts. Susan was Group Chief Executive, 2012 – 2018, overseeing a period of significant expansion and development at Brunswick.

#### Ian Tyler

Member of the Public Interest Committee and Audit Board

Ian Tyler joined the Public Interest Committee on 1 September 2025. Ian is a Chartered Accountant by profession, qualifying with Arthur Andersen in 1985. He spent his senior executive career with Balfour Beatty, initially as CFO and from 2005 to 2013 as Chief Executive.

Since stepping down from Balfour Beatty, Ian has had a varied portfolio career focused primarily on infrastructure, defence and natural resources. He has chaired a number of listed and non-listed companies, including Vistry, Cairn Energy, Amey, AWE Management and Affinity Water. He has also served on the Boards of a number of FTSE listed companies including BAE Systems, Cable and Wireless Communications and Synthomer.

## Appendix 4: Board and Committees of the Board membership

Continued

### Audit Non-Executives as at 30 September 2025

#### Claire Ighodaro CBE

Chair of the Audit Board (Audit Non-Executive)

Claire Ighodaro CBE is Remuneration Committee Chair of Pennon Group PLC and a Leadership Council Member of TheCityUK. Her previous board roles also include Board Chair of AXA XL – UK Entities, Audit Committee Chair of Lloyd's of London, Flood Re, UK Trade & Investment and the Open University, Governance Committee Chair of Bank of America's Merrill Lynch International and Board Member of IESBA (the International Ethics Standards Board for Accountants). She was a senior executive at BT PLC, working in the UK and Germany and was the first female global President of CIMA (the Chartered Institute of Management Accountants).

Claire is a volunteer mentor on both executive and young people's development programmes. She was awarded an honorary doctorate by the Open University and a CBE, by HM the Queen, for services to business.

#### Melanie Hind

Member of the Audit Board

Melanie Hind joined the Audit Board on 30 September 2021. Melanie is a former PwC audit and advisory partner, a former Chief Risk Officer and held the role of Executive Director at the FRC between 2012 and 2018. Since then, she has advised on accounting and audit regulation, and in 2020 acted as Head of Assurance Quality at BDO International. Melanie has also held non-executive roles associated with her role at the FRC; she was a board member of the International Forum of Independent Audit Regulators, chairing its Global Audit Quality working group, and is a former member of the Advisory Council to the International Financial Reporting Standards Foundation.

She is a board member, audit committee and people and remuneration committee chair of Talbot Underwriting Limited (a Lloyd's managing agent that is part of the AIG group), a board member and risk sub-committee chair at OneFamily (a mutual insurer and asset manager) and is an independent trustee and Honorary Treasurer of the Disasters Emergency Committee which raises funds in the UK to provide overseas humanitarian aid in emergency situations.

#### Kathleen O'Donovan

Member of the Public Interest Committee and Audit Board

Kathleen O'Donovan joined the Public Interest Committee on 1 July 2019. Kathleen is currently the Chair of the Invensys Pension Scheme and Founder Partner of Bird & Co Board & Executive Mentoring Ltd.

Formerly she has held Non-Executive Director roles at ARM Holdings Plc, D S Smith plc, Prudential plc, O2 Plc, Great Portland Estates plc, EMI Group plc and the Bank of England. Kathleen was also co-Chair of International Rescue Committee UK, a charity supporting conflict zone refugees. Kathleen trained as a Chartered Accountant and her previous roles include CFO of BTR plc/Invensys plc and Partner at EY.

#### Ian Tyler

Member of the Public Interest Committee and Audit Board

Ian Tyler joined the Public Interest Committee on 1 September 2025. Ian is a Chartered Accountant by profession, qualifying with Arthur Andersen in 1985. He spent his senior executive career with Balfour Beatty, initially as CFO and from 2005 to 2013 as Chief Executive.

Since stepping down from Balfour Beatty, Ian has had a varied portfolio career focused primarily on infrastructure, defence and natural resources. He has chaired a number of listed and non-listed companies, including Vistry, Cairn Energy, Amey, AWE Management and Affinity Water. He has also served on the Boards of a number of FTSE listed companies including BAE Systems, where he chaired the Corporate Responsibility Committee and latterly the Remuneration Committee, as well as Cable and Wireless Communications and Synthomer, where in both cases he chaired the Audit Committee. Ian stepped down from Synthomer in December 2025.

Ian currently chairs Grafton Group PLC, the FTSE 250 European building materials distributor; he is a Non-Executive Director of Anglo American, where he is the Senior Independent Director and Remuneration Committee Chair; and he is a Non-Executive Director and chairs the Remuneration Committee at BP. He also chairs BMT, a UK based international maritime engineering business, owned through an employee benefit trust.

## Appendix 4: Board and Committees of the Board membership

Continued

### Statement by the Independent Non-Executives and Audit Non-Executives

Globally it has been a volatile year, economically and politically. Despite this, the firm has successfully completed its first year following its merger with KPMG Switzerland, achieved strong audit quality results, and is evolving with the significant technology opportunities and challenges ahead.

We, the Independent Non-Executives (INEs) and Audit Non-Executives (ANEs) play an important role, providing oversight at both the firm-wide and audit levels, utilising our expertise, challenging but supporting the firm in its decision making with a particular focus on audit quality and the wider public interest.

#### Improving audit quality

Promoting audit quality is a core principle of the Audit Firm Governance Code (AFGC) and is at the heart of the Audit business's strategy. It has, and will continue to be, one of the top matters for us non-executives. The firm's external audit quality results have continued to strengthen. The FRC has recognised the firm's strong commitment to audit quality, with an established system of quality management and sustained high quality results on audit file inspections. The Institute of Chartered Accountants in England and Wales (ICAEW) classified all audit file inspections as "good" or "generally acceptable" and recognised good practice in nearly all files reviewed. Notably, enhancements were observed in the root cause analysis process this year.

These consistently positive results reflect the significant investment and ongoing commitment by the firm's leadership, partners and employees. We welcome these outcomes and will continue encouraging the firm to prioritise audit quality in its audit strategy.

#### Merger with KPMG Switzerland

At the start of the year, KPMG UK and KPMG Switzerland merged to become a combined group entity. Last year, we recognised that the merger's impact would be a key focus for us, particularly its effects on the UK firm's governance, operations and resilience. We have had oversight of changes to the firm's governance arrangements resulting from the merger, as well as ongoing evaluation of how these structures support the firm in fulfilling its obligations under the AFGC, both currently and in the long term.

In addition, the Chair of the Public Interest Committee (PIC) has attended, as a non voting member, the Group Board, Group Audit and Risk Committee, the Group Nomination Committee and the Group Remuneration Committee.

#### Complexity of the regulatory environment in a volatile geopolitical environment

The regulatory environment in which global audit firms operate is increasingly complex, and we have therefore sought reassurance from leadership on how they continue to monitor and implement their continuously changing regulatory obligations and expectations.

During the year, the FRC commenced reviews into its approach to supervision and enforcement activities. We have actively participated in discussions of these reviews. We are supportive of proposals to focus supervision on the firm's system of quality management and are interested to see the how public reporting on audit firms will evolve under the new regime.

Other regulatory developments impacted by political changes and timeframes have remained of interest, including the UK's audit and corporate governance reforms, potential reforms from the Public Company Accounting Oversight Body (PCAOB) in the US, and future audit reforms in Europe.

Throughout the year, both the PIC and Audit Board received regular updates on regulatory developments, inspections and interactions and consistently assessed the embeddedness of past lessons into current actions.

#### Financial and operational resilience

We have received regular updates regarding overall business performance and that of individual service lines, including Audit. This involved reviewing the firm's budget, and understanding how the business strategy has been incorporated, as well as maintaining ongoing discussions with leadership about the firm's capital and liquidity positions.

We also focused on how emerging technologies, especially AI, are affecting the firm's operations, clients and audited entities, and what the immediate and future necessary actions are. The PIC and the Audit Board also received updates on the changing technology used for audit and non-audit work, and its potential impact on workforce, costs and pricing models. As part of this, the Audit Board held a special session at the firm's Ignition Centre, a collaborative space, to demonstrate current and future IT audit tools including AI-based solutions. Both committees will continue prioritising this topic in the years ahead.

## Appendix 4: Board and Committees of the Board membership

Continued

### People and Culture

We take interest in how the firm has ensured that its values are integrated into daily business activity, within different teams and different regions, to support the delivery of high-quality audits. The Audit Board and PIC allocate a substantial proportion of their agendas to reviewing the firm's culture programme. This year, we also continued our oversight of the embeddedness of the partner balanced scorecard, which influences partners' performance assessments and remuneration. For audit partners, this includes audit quality targets.

We were pleased to see recognition of the firm's Ethics programme in the FRC Public report.

Our programme of engagement internally and externally has continued this year. These activities are carried out by both individual INEs and ANEs as well as collectively. We engaged with partners and employees across the UK firm to understand how Board decisions impact teams, assess workplace culture and discuss any daily operational challenges, allowing us to "test the temperature" on the ground. Our external engagement provides insights into industry trends, benchmarks the firm's external reputation, and informs the ongoing evaluation and improvement of our roles.

This year, our firm-wide outreach programme also included:

- A bilateral programme with Board members, Executives, and Audit Executives involving over 136 meetings, including the CEO and Chair of KPMG UK and KPMG Group.
- Roundtables with Forensic Partners and with the Audit Evolution Board, which represents employees across a range of audit roles and grades. The latter roundtable included participants in the Swiss/UK exchange program to gather feedback regarding their experiences after the merger of the UK and Swiss firms.
- Site visits, including to the Newcastle office, which included meetings with more than 40 employees and partners, among them leadership, Shadow Board members, ethics champions, and staff across all grades.
- An introduction session at the KPMG Ignition Centre to understand and discuss current and future IT audit tools.
- Meetings with Global Executive team members (including the Global CEO, Global Head of Audit and Global Chief Risk Officer), who have attended the Audit Board and/or the Public Interest Committee to share international developments relevant to the UK firm.
- Discussions between the PIC Chair and Audit Board Chair with several Swiss executives to discuss the progress of integration with KPMG UK.

Engagements with external parties, including the FRC, were as follows:

- Attendance at FRC-hosted events focused on Private Equity investment in Audit firms and the Future of Audit Supervision Strategy (FASS) project.
- Bi-annual supervisory meetings with the FRC, as well as separate meetings conducted throughout the year for newly appointed ANEs and INEs.
- The FRC CEO and ICAEW Chair separately attended the PIC to discuss their organisations' roles, strategies, and priorities, as well as sharing views on public interest and the profession's future.
- The Chairs of the PIC and Audit Board met with the Chair and CEO of the Federal Audit Oversight Authority (FAOA), Switzerland's audit regulator, to discuss strategic priorities regarding KPMG Switzerland's quality performance.
- Attendance at the launch event of the Centre of Public Interest Audit (CPIA).
- The Chair of the Audit Board met with the CPIA to discuss the organisation's mission, plans, and potential collaboration between ANEs, INEs, and CPIA.
- Participation in a variety of events with investors and audit committee chairs organised by KPMG, including sessions on the Annual Corporate Reporting review and the Future of Audit.

### Governance

The key committees of which we are members are the Public Interest Committee (PIC) and the Audit Board, which have distinct but complementary agendas.

- The PIC aims to provide an effective and efficient mechanism for the discharge of some of the responsibilities of the Independent Non-Executives set out in AFGC, particularly how the firm takes public interest into account when its making decisions and how it manages its operational and financial resilience. See [here](#) for the PIC report, including membership.
- The Audit Board takes a direct role in overseeing the Audit practice, and in particular measures to raise and continuously improve audit quality. See [here](#) for the Audit Board report, including membership.

We have also attended UK Board and UK Audit and Risk Committee meetings. The Chair of the PIC is a non-voting member of the Group Board, Group Audit and Risk, Group Nomination Committee and Group Remuneration Committee, and has provided regular updates to other INEs and ANEs. Attendance can be seen [here]. While we do not carry votes on the UK Board, Group Board or their other Committees, we have had access and opportunity to question and challenge KPMG leadership in the UK and at Group level at these meetings.



## Appendix 4: Board and Committees of the Board membership

Continued

### Conclusion

The AFGC requires the INEs and ANEs to form their own view of where the public interest lies. Through our engagement with the firm, and understanding of its operations and activities, we are satisfied with the firm's commitment to the Public Interest and to the delivery of consistent high-quality audits. The firm's leadership has embraced the input and challenge from the INEs and ANEs during the year.

Anne Bulford and Kathleen O'Donovan retired from their roles as Independent and Audit Non-Executive and Public Interest Committee and Audit Board members effective from 30 September 2025. We would like to thank Anne and Kathleen for their significant commitment and contribution to our work as independent non-executives, and the valuable insight they have provided over the years.

If you would like to get in touch with questions or concerns, please contact: [ukfmpmgnonexe@kpmg.co.uk](mailto:ukfmpmgnonexe@kpmg.co.uk)

### Appointment and Independence of the INEs and ANEs

As at 30 September 2025, KPMG has eight<sup>13</sup> independent non-executives (30 September 2024: five). Six are INEs and four are ANEs; one of the independent non-executives are both an INE and ANE.

Our INEs and ANEs are chosen to provide specific insights considered to be relevant to the activities of the Public Interest Committee (PIC) and/or the Audit Board and the development of the firm, including expertise in financial and corporate matters, governance, culture and investor needs. They remain in a position of independence from the leadership decision making of the firm and outside its chain of command.

KPMG has considered the Audit Firm Governance Code and the FRC's Ethical Standard in drawing up criteria for appointment of the members of the PIC and ANEs. Whilst our INEs and ANEs are not considered to be part of the chain of command for the purposes of auditor independence requirements, they are required to comply with certain criteria which have been developed to reflect the need for INEs and ANEs to maintain appropriate independence from the firm and its partners and to be free from actual or perceived conflicts of interest. These criteria include considering the impact of any financial, business, employment or family relationships they have with the firm's audited entities or KPMG itself:

- None of the INEs or ANEs are permitted to hold a director or key management position role at any entity where KPMG UK (or any KPMG network firm) is the statutory auditor.
- They are not permitted to be the beneficial owner of a financial interest in an entity where KPMG is the auditor if they have significant influence over that entity.

- They are required to notify the firm if (i) a member of their immediate or close family is a director, holds a key management position, or is in a financial reporting oversight role at an entity where KPMG is the auditor, (ii) if they intend to enter into any business relationship (including providing services) with an entity where KPMG is the auditor, or (iii) if they hold any financial interests in any entity that is material to them. This notification is required to enable the firm to consider if any of these relationships could give rise to an actual or perceived conflict of interest that requires safeguarding.
- With respect to relationships with KPMG itself, if an immediate or close family member of an INE or ANE became a partner (or equivalent) of KPMG UK, they would no longer be eligible to hold their role.
- The INEs and ANEs are also required to notify KPMG if an immediate or close family member becomes an employee of the firm. Again, this is to enable the firm to consider the scope for conflicts with their role.

All INEs and ANEs are checked prior to their appointment to ensure they meet these criteria. As a condition of their appointment, they are under a continuing obligation to disclose to KPMG any matters which may constitute a change to their roles or relationships as soon as they become aware of them. They are also required to make an annual declaration of their compliance with the independence criteria.

The UK Chair, recommends the appointment of the Independent Non-Executives (INEs) and Audit Non-Executives (ANEs) which are approved by the Board. Their appointments are for a fixed term of either two or three years. This may be renewed up to a maximum of three terms, or nine years.

### Support

To support the INEs and ANEs in discharging their role, the firm provides them with:

- An Executive Lead to help them in navigating the business and discharging their duties under the Code
- Secretarial support
- Any information they require about the firm's business to discharge their duties
- Access to independent professional advice at the firm's expense where judged necessary to discharge their duties.

### Remuneration

The annual remuneration of each Non-Executive is £110,000, plus an annual fee of £10,000 per Board Committee they attend as a designated Non-Executive. INEs who also serve as ANEs receive an additional £20,000. The Chair of the PIC and the Chair of the Audit Board receive an additional amount of £40,000 in respect of chairing duties. The Chair of the PIC also receives an additional fee of £125,000 based on Group Board and Group Board Committee attendance.

<sup>13</sup> Anne Bulford and Kathleen O'Donovan who retired from their roles effective from 30 September 2025.



## Appendix 4: Board and Committees of the Board membership

Continued



### Changes effective close of business 30 September 2025 are as follows:

- Anne Bulford retired as a member of the Public Interest Committee on 30 September 2025.
- Kathleen O'Donovan retired as a member of the Audit Board and the Public Interest Committee on 30 September 2025.

### Changes throughout 2025:

- Louise Kirby stepped down as a member of the UK Board on 30 November 2024.
- Rachel Hopcroft stepped down as a member of the UK Executive Committee and Management Committee and left the Firm on 31 December 2024.
- Appointment of Robin Walduck as an Elected Member of the UK Board on 1 January 2025.
- Appointment of Brian McBride as a Member of the Public Interest Committee on 1 March 2025.
- Annette Barker stepped down as a member of the UK Board on 30 May 2025.
- Appointment of Suvro Dutta as an Elected Member of the UK Board on 2 June 2025.
- Appointment of Katie Clinton as an Elected Member of the UK Board on 2 June 2025.
- John Bennett stepped down as UK and Group Chief Risk Officer and a member of the UK Executive Committee, UK Management Committee, Audit Executive and Risk Executive on 1 April 2025.

- Appointment of Richard Faulkner as UK and Group Chief Risk Officer and member of the UK Management Committee, Audit Executive and Risk Executive on 1 April 2025.
- Appointment of Susan Gilchrist as a Member of the Public Interest Committee on 1 August 2025.
- Appointment of Ian Tyler as a Member of the Public Interest Committee and Audit Board on 1 September 2025.

# Appendix 5: UK Public Interest Entities

In compliance with Article 13 (f) of EU Regulation 537/2014 as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019, we have included the list of UK Public Interest Entities (as defined by the FRC Ethical Standard) for which we carried out statutory audits in the financial year ended 30 September 2025.

Please note:

- Engagements where we resigned, but signed an audit opinion in the year to 30 September 2025, have been included. These are indicated with an \*.
- New audit engagements, which have not been signed between October 2024 – September 2025, have been excluded.

3i Group Plc	Breedon Group plc	Haleon Plc
ABC International Bank plc*	British American Tobacco Plc	Hampshire Trust Bank Plc*
Aberdeen Group Plc (formerly abrdn plc)	British Telecommunications plc	Heylo Housing Secured Bond Plc
Abdrn European Logistics Income Plc	BT Group plc	HICL Infrastructure Plc*
Abdrn New India Investment Trust Plc*	Burford Capital PLC	Hollywood Bowl Group Plc
Affinity Sutton Capital Markets PLC	Cambridgeshire Housing Capital Plc*	Howden Joinery Group Plc
Aioi Nissay Dowa Insurance UK Limited	Capita Plc	INTERNATIONAL DISTRIBUTIONS SERVICES PLC*
Aldermore Bank Plc	Cardiff University	IP Group Plc
Alphawave IP Group Plc	Chemring Group Plc	James Fisher and Sons Plc
Antares Insurance Company Limited*	CHURCHILL INSURANCE COMPANY LTD*	John Lewis Plc
AO World Plc	Citibank UK Limited	John Wood Group PLC
Aspire Defence Finance Plc	Clarion Funding Plc	Lancashire Insurance Company (UK) Limited
Aster Treasury Plc	Compass Group Plc	Legal & General Assurance (Pensions Management) Ltd
Auto Trader Group PLC	Connect M77/GSO Plc	Legal & General Finance Plc
Avon Technologies Plc	CONNECT PLUS (M25) ISSUER PLC	Legal & General Group Plc
AXA INSURANCE UK PLC	Consort Healthcare (Birmingham) Funding Plc	Legal And General Assurance Society Limited
AXA PPP HEALTHCARE LTD	Croda International Plc	Liontrust Asset Management Plc*
B & C E Insurance Limited	Currys Plc	London & Quadrant Housing Trust
B.A.T. INTERNATIONAL FINANCE P.L.C.	DFS Furniture Plc	Luceco PLC
Balfour Beatty plc	DIRECT LINE INSURANCE GROUP PLC*	Midland Heart Capital plc
Baltic Classifieds Group Plc	DUNCAN FUNDING 2022-1 PLC	Mitchells & Butlers plc
Bank Of Ireland (UK) PLC	DUNCAN FUNDING 2024-1 PLC	Moneysupermarket.com Group PLC
Barclays Bank PLC	Fidelis Underwriting Limited	Motability Operations Group Plc
Barclays Bank UK Plc	Games Workshop Group Plc	Myriad Capital PLC
Barclays PLC	Gatwick Airport Finance plc	National Counties Building Society*
Big Yellow Group Plc	Gracechurch Card Programme Funding PLC	Newday Funding Master Issuer Plc
BPHA Finance plc	Grainger Plc	NewDay Partnership Master Issuer PLC

## Appendix 5: UK Public Interest Entities

Continued

Northern Electric Finance plc	Reckitt Benckiser Group plc	Swan Housing Capital Plc
Northern Electric plc	Reckitt Benckiser Treasury Services Plc	TCHG Capital Plc
Northern Powergrid (Northeast) plc	Ricardo PLC	Telecom Plus Plc
Northern Powergrid (Yorkshire) plc	Rio Tinto plc	The Bank of New York Mellon (International) Limited
Oak No.5 PLC	RL FINANCE BONDS NO. 3 PLC (5121388)	The Berkeley Group Holdings plc
Odyssean Investment Trust plc	RL FINANCE BONDS NO. 4 PLC (7070780)	The Royal London Mutual Insurance Society Ltd
Orbit Capital plc	Road Management Services (A13) plc	The Sage Group PLC
PA (GI) Limited*	Rotork plc	The Wrekin Housing Group Limited
Paragon Bank PLC	Saga Plc	TR Property Investment Trust Plc
Paragon Banking Group Plc	Sanctuary Capital Plc	Travis Perkins plc*
PARAGON MORTGAGES (NO. 27) PLC*	Sanctuary Housing Association	TSB Bank Plc
Paragon Mortgages (No.12) Plc	Scottish Power UK Plc	TSB Banking Group Plc
PARAGON MORTGAGES (NO.28) PLC	Senior PLC	UK Insurance Limited*
PARAGON MORTGAGES (NO.29) PLC	Serco Group plc*	Unilever PLC
Paragon Treasury Plc	Severfield Plc	United Utilities Group plc
Pavillion Mortgages 2022-1 PLC	Shawbrook Bank Limited	United Utilities PLC
Peabody Capital No 2 Plc	Shawbrook Group plc	United Utilities Water Finance Plc
Peabody Capital Plc	SMBC Bank International PLC	United Utilities Water Limited
Peabody Trust	Smiths Group plc	Vitality Health Limited
Pension Insurance Corporation plc	Sovereign Housing Capital plc	Wesleyan Bank Limited*
Phoenix Group Holdings plc	SP Distribution PLC	Wheatley Group Capital plc
Phoenix Life CA Limited	SP Manweb plc	Wickes Group Plc
Phoenix Life Limited	SP Transmission PLC	
Pod Point Group Holdings plc*	SSP Group Plc*	
Polar Capital Technology Trust Plc	Standard Life Assurance Limited	
ReAssure Life Limited	Starling Bank Limited	
ReAssure Limited	Stewart Title Limited	

# Appendix 6: UK Major Local Audits listing

## Confirmation

In accordance with the Local Auditors (Transparency) Regulations 2020, we confirm that all engagement leads are competent to undertake local audit work and staff working on such assignments are public sector specialists.

## Deep technical expertise and knowledge

Our Quarterly Improvement Network Quarterly Connect (QIN-QC) audit training programme within the Public Sector audit practice supports the development of technical expertise and knowledge within our audit practice. These mandatory in-person training days include audit and accounting technical training, public sector specific training and risk courses – such as training on the use of wider auditor powers and value for money assessments with NHS and local government audits – in-year technical updates and technical briefings, lunch and learns (including a new programme on NHS and local government specific topics), core audit skills and fundamental knowledge.

Our national Public Sector team undertakes tailored and targeted technical accounting training sessions to ensure that they are sufficiently trained to undertake these types of audit engagements.

In addition, all our audit teams on these engagements have an individual RI appointed from our national pool of ‘Key Audit Partner’ (KAP) accredited RIs. All our engagement leaders for local audit work have been accredited as Key Audit Partners by the ICAEW. On an annual basis, all KAPs are awarded a Certificate

of Accreditation, with specific Public Sector Accreditation, on the basis of their experience and training specifically related to their knowledge, experience and hours of public sector defined audit work. For Public Sector team KAPs, this is directly linked to the local audits in their portfolio, which is in turn is directly linked to our Learning Management System, where each KAP can assign themselves the relevant training without the need to consult. Once a KAP has completed the relevant training, the Public Sector Accreditation element is automatically marked ‘green’ in the audited entity on which they’re working.

All auditors, including KAPS, are expected to join annual KPMG Audit University (KAU) training. This year’s training was based around a case study with participants working in teams, mirroring a real audit team structure. The content included risk assessment, controls, sampling, journals testing and fraud, and introduced new technology in the audit in the form of AI transaction scoring.

The mandatory learning curriculum for all KAPs includes quarterly updates focusing on performing an effective quality audit with different topic areas included as relevant, which again for KAPS includes specific public sector related topics.

An Audit Quality and Risk Workshop is delivered twice a year for engagement leaders (including all KAPs) and focuses on key messages driven by internal and external regulatory (AQR etc) and monitoring findings, with all KAPs having to also complete training relevant to their grade and role, which includes public sector specific training.

In order to meet the International Standard on Quality Management (ISQM1) requirements KPMG has established globally consistent quality objectives, quality risks and responses, with the objective, applied equally to the Public Sector audit practice, of this centralised approach being to drive consistency, robustness and accountability of responses for processes implemented across our global organisation. Where necessary, we have supplemented the requirements with additional quality objectives, quality risks and responses identified through a risk assessment process, such as those specific to the Public Sector audit practice.

Refer to the [Audit Quality](#) section of the Transparency Report for further information on:

- KPMG Audit University, and the role this plays in helping colleagues develop deep technical expertise and knowledge
- Our AQR results, which include a minimum of one local audit each year
- Our QAD results, which include a selection of local audits as part of the NHSI’s review remit of our health audits.
- Our QPR process, which include local audits within its scope.



# Appendix 6: UK Major Local Audits listing

Continued

## Major Local Audits listing

The organisations below are those which:

- constitute a ‘major local audit’ for the purposes of Regulation 12 of The Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014 (SI 2014/1627); and
- for which KPMG LLP signed an audit report on its annual financial statements during year ended 30 September 2025.

NHS Dorset ICB
Surrey and Sussex Healthcare NHS Trust
NHS West Yorkshire ICB
NHS Devon ICB
Nottingham University Hospitals NHS Trust
University Hospitals Leicester NHS Trust
London North West Healthcare NHS Trust
University Hospitals Coventry and Warwickshire NHS Trust
NHS Derby & Derbyshire ICB
London Ambulance Service NHS Trust
Shrewsbury and Telford Hospital NHS Trust
NHS Lancashire and South Cumbria ICB
West London Mental Health NHS Trust
The Whittington Hospital NHS Trust
NHS Frimley ICB
NHS North East London ICB
NHS Surrey Heartlands ICB
NHS South Yorkshire ICB
NHS Mid and South Essex ICB
NHS North Central London ICB
NHS Nottingham And Nottinghamshire ICB

Bedford Borough Council
Blackpool Council
West Berkshire Council
Borough of Telford and Wrekin
Buckinghamshire Council
Cambridgeshire County Council
Central Bedfordshire Council
Gloucestershire County Council
Haringey London Borough Council
Hertfordshire County Council
Bedfordshire Pension Fund
Gloucestershire Pension Fund
Cambridgeshire Pension Fund
Islington London Borough Council
South Yorkshire Pensions Authority
Lincolnshire County Council
London Borough of Lewisham
London Borough of Sutton
London Borough of Waltham Forest
Milton Keynes Council
Lincolnshire Pension Fund

Islington London Borough Council Pension
South Yorkshire Mayoral Combined
Haringey Pension Fund
Hertfordshire Pension Fund
Staffordshire Pension Fund
South Yorkshire Pension Fund
Reading Borough Council
Royal Borough of Kingston upon Thames
Sheffield City Council
Southwark London Borough Council
Waltham Forest Pension Fund
STAFFORDSHIRE COUNTY COUNCIL
Southwark Pension Fund
Kingston Upon Thames Pension Fund
Lewisham Pension Fund
Sutton Pension Fund

# Appendix 7: Financial information

Under Article 13.2 of the EU Audit Regulation (subsequently incorporated into UK Law) we are required to disclose certain financial information in respect of statutory audit work.

The information below showing the relative importance of statutory audit work is extracted from KPMG UK’s financial reporting systems:

Transparency Reporting requirements

	2025 £m	2024 £m
Statutory audits and directly related services for entities we audit:		
UK public interest entities and their subsidiaries (see Appendix 5)	341	318
Major local audits (see Appendix 6)	18	4
Other entities	578	556
Statutory audit and directly related services for audit clients	937	879
Non-audit services provided to entities we audit	82	94
Total revenues from entities we audit	1,019	973
Non-audit services to entities we do not audit	2,002	2,017
Total UK firm revenue	3,021	2,990

Revenue, staff costs and operating profit for the separate Audit practice profit and loss account above are consistent with those measures presented in the KPMG UK group’s published financial statements:

1. Revenue is stated gross of expenses and disbursements on assignments, consistent with the presentation of revenue in the KPMG UK group’s published financial statements. Revenue for the Audit practice reflects all statutory audit work together with revenue from the following services:
  - Permitted audit practice services to entities we audit; and
  - Permitted audit practice and non-audit services to non-audited entities.
2. Staff costs relate to those staff based within the audit practice. No cost is included for the remuneration of members of KPMG LLP. This is consistent with the treatment of partners’ remuneration in the KPMG UK group’s published financial statements.

In line with Principle 20 of the FRC’s Operational Separation Principles, a separate profit and loss account for the audit practice is presented below, prepared on a basis consistent with KPMG UK group’s published statutory financial statements.

Operational Separation public reporting of Audit & Assurance financials

	2025 £m	2024 £m
Gross revenue	971	919
Expenses and disbursements on assignments	(51)	(47)
Revenue attributable to the audit practice	920	872
Staff costs	(393)	(377)
Other operating charges	(390)	(368)
Operating profit	137	127
Finance expense	(2)	(4)
UK Audit practice profit	135	123

3. Other operating charges reflect the following:
  - Costs directly attributable to the Audit practice in delivery of services, based on information in our internal management accounts;
  - Allocations of indirect costs including overheads such as property and IT. These costs are allocated on a consumption basis where practical or on an equitable alternate basis, primarily headcount or revenue;
  - Charges for the work performed by individual specialists from outside the ring-fenced audit practice contributing to the delivery of assignments of the audit practice, net of charges for the work performed by audit practice specialists in delivery of assignments by other areas of the KPMG UK group. These charges are priced on an arm’s length basis.





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