

Transparency Report 2009

Grant Thornton International

For year ended 31 December 2008



Welcome to the Grant Thornton International transparency report 2009. This has been produced to enable our stakeholders – businesses, investors, regulators and communities – to better understand our global organisation. It explains how the organisation is run and how we provide reasonable assurance that member firms perform high quality audit, tax and advisory services. It also describes the expertise, breadth and depth of our global organisation. We offer this report as a demonstration of our commitment to openness and transparency.

The report is in respect of the year ended 31 December 2008, which is also the fiscal year end for Grant Thornton International Ltd. The combined worldwide revenue figures for the member firms given in the financial information section, however, are reported to a 30 September year end.



This transparency report is modelled to the extent possible on the transparency reporting regime required by the European Union 8th Directive of individual audit firms that perform assurance work for public interest entities. It outlines the legal structure and governance of the Grant Thornton umbrella organisation and the tools provided to the individual member firms of the organisation to support them in producing distinctive, high quality client service in the fields of assurance and accountancy, tax and specialist advisory services.

The report explains the global quality control procedures and the global independence practices and tools. It also highlights the attention paid to client acceptance and risk management.

Transparency is a key element underpinning the confidence of the world's capital markets in the audit process, and Grant Thornton will continue to play its part in creating a more accountable and robust accounting profession.



Foreword

Despite the unprecedented turbulence in global markets, I was delighted to announce that to 30 September 2008 our 96 member firms had generated combined revenues of US\$4 billion, a 14% increase on 2007. Audit revenues increased by 12% to almost US\$2 billion and our specialist advisory services business generated over US\$1 billion for the first time, now accounting for 25% of total revenues.

It would be wrong, however, to suggest that we are living in anything but extraordinary times or that Grant Thornton, in common with other accounting organisations, will not need to change as a consequence. Of course we must respond to the current economic situation and prepare for the subsequent upturn, on behalf of our clients and for our own business. But I believe we must also demonstrate to clients, regulators and the wider public that we recognise that a sea change in attitudes towards global business practices is underway and respond accordingly.

At Grant Thornton we continue to focus on the transparency of our own business. For the first time, this transparency report includes details of the funding of Grant Thornton International by member firms and how that budget is spent. We also continue to build a clearer separation between the management and governance of our global organisation.

Grant Thornton clients increasingly, and rightly, expect seamless service from us, irrespective of where they operate. The Grant Thornton brand has been a major focus of our attention, culminating in the launch of a new corporate identity in February 2008. Now implemented successfully throughout the organisation, and backed by our first global advertising campaign, it will continue to support, but cannot replace, the real Grant Thornton brand – our people. The member firms of Grant Thornton have more than 30,000 professional staff and partners who deliver high quality distinctive client service. This report highlights the combined revenues and staff levels for the last four years and the service line revenues of our 10 largest member firms for 2008 and 2007.



During 2008 we established a framework for developing a common people and culture strategy across the organisation that will enable Grant Thornton to attract, develop and retain high quality people. Our future success will depend on how well we implement the key initiatives. During 2008 we extended our leadership programme and began work on a global employer brand initiative designed to provide existing and future personnel with an understanding of the global brand, culture and business strategy.

I believe it is vital for us to be at the forefront of developing our profession. We encourage our people to speak out and many play an active role in organisations that influence regulation, standards, ethical behaviour and all aspects of professional development.

Within current legal and regulatory constraints Grant Thornton will continue to move towards greater integration globally and to take the steps necessary to promote the delivery of consistent, high quality client service throughout the world.

A handwritten signature in dark ink, appearing to read 'David McDonnell', written in a cursive style.

David McDonnell
Chief executive officer
Grant Thornton International
May 2009

Legal structure and ownership

Grant Thornton International Ltd (Grant Thornton) is a not-for-profit, non-practising, international umbrella membership entity organised as a private company limited by guarantee, not having a share capital, incorporated in England and Wales and does not provide services to clients. Services are delivered independently by the Grant Thornton member firms.

Grant Thornton is one of the world's leading organisations of independently owned and managed accounting and consulting firms. These firms provide assurance, tax and specialist business advice to privately held businesses and public interest entities. More than 2,600 partners provide clients with distinctive, high quality service in over 100 countries.

Each Grant Thornton member firm is a separate national firm. These firms are not members of one international partnership or otherwise legal partners with each other, nor does membership within Grant Thornton thereby make any firm responsible for the services or activities of any other. Each firm governs itself and handles its administrative matters on a local basis. Although most of the member firms carry the Grant Thornton name, either exclusively or in their national practice names, there is no ownership among the firms or by Grant Thornton.



Authorisation procedures for member firms

Criteria for membership

In addition to considering the reputation of a prospective firm and its adherence to the highest professional standards, Grant Thornton has developed a set of criteria that must be met by prospective member firms before they can be considered for membership in the organisation:

- member firms' primary market focus must be in line with the global strategy
- member firms must have sufficient resources to meet the core service requirements of one or more of the following services: assurance, tax or specialist advisory services
- member firms must be able to communicate effectively in English
- member firms must be able to afford both the financial and time commitments of membership of Grant Thornton
- member firms must adopt Grant Thornton policies, procedures and methodologies. These include, but are not limited to:
 - service line methodologies and quality controls, including client acceptance and re-acceptance
 - engagement protocols and
 - ethical and independence policies
- member firms must maintain a system of quality control in accordance with International Standards on Quality Control (ISQC) 1; and must agree to periodic quality assurance inspections by global teams that provide reasonable assurance that:
 - its personnel have an appropriate level of competence and experience to comply with applicable professional standards
 - its engagements are performed in accordance with applicable professional standards

- its leadership demonstrates and supports quality and promotes a culture of high-quality performance
- its reports related to services performed are appropriate to the circumstances and
- it complies with the Code of Ethics of the International Federation of Accountants (IFAC) or, if stricter, Grant Thornton's ethical and independence policies or local ethical standards.

Before acceptance of a new member firm, Grant Thornton performs due diligence to determine whether the above criteria are met. Admission as a member is dependent on the outcome of this due diligence and the execution of Grant Thornton's Member Firms Agreement and Name Use Agreement. Member firms must abide by all current Grant Thornton policies and standards.

All member firms are subject to the same global monitoring policies, procedures and practices. Member firms that do not meet expectations are subject to remedial actions by Grant Thornton. These actions can include additional training, concurring reviews from outside the member firm, additional monitoring or temporary prohibition on performing certain work, the imposition of a financial charge, suspension and, for those firms that continue not to perform up to expectations, expulsion. The Global Leadership Board is responsible for agreeing remedial action plans. The imposition of a financial charge and expulsion of a member firm require approval from the Board of Governors.

Governance and management

The current governance and management structure of Grant Thornton is designed to enhance global quality, cohesiveness and consistency.

Board of Governors

The Board of Governors is comprised of a chairman, the chief executive officer (CEO) and 18 additional members, the majority of whom are active senior partners from member firms around the world. It is the highest decision making body within Grant Thornton. The Board appoints the CEO, sets Grant Thornton priorities and budget and approves any recommended changes to the organisation's constitutional arrangements based on the recommendation of the CEO. The Board is also responsible for approving the criteria to be met by potential new member firms, as well as the expulsion of member firms. Members of the Board of Governors, with the exception of the CEO, receive no payment from Grant Thornton but expenses incurred as a result of their membership of the Board are reimbursed by the global organisation.

The Board of Governors meets twice a year. In 2008 the Board met in Chicago in June and in London in December.

Members of the Board of Governors (2008)*

Ed Nusbaum	US (Chairman)
Terry Back	UK
Carol Banford	US
Peter Bodin	Sweden
Leonard Brehm	South Africa
Jean-Luc Carpentier	France
Stephen Chipman	China
Michael Cleary	UK
Gernot Hebestreit	Germany
Chikahiko Honda	Japan
David McDonnell	CEO, Grant Thornton International Ltd
Gerard Mulder	The Netherlands
Phil Noble	Canada
Richard Payette	Canada
Hector Perez	Mexico
Robert Quant	Australia
Paul Raleigh	Ireland
Jay Ramesh	Botswana
Mauro Terepins	Brazil
Desmond Yuen	Hong Kong

*From 1 January 2009 changes as follows:

Scott Barnes, UK replaces Michael Cleary, UK
Jean Schnob, Canada replaces Richard Payette, Canada
Jay Ramesh, Botswana and Paul Raleigh, Ireland step down
Luis Marciano, Puerto Rico joins.

Global Leadership Board

The Global Leadership Board is comprised of the CEO, who acts as chairman, together with seven other members.

The Global Leadership Board members include the global heads of the four practice areas: privately held business services, tax, assurance and specialist advisory services (SAS). The global practice heads support the leadership within member firms in enhancing their ability to service their clients in a consistent way throughout the global marketplace.



The Global Leadership Board met regularly during 2008, either in person or by conference call.

The Global Leadership Board (2008)

David McDonnell	Chief executive officer
Gabriel Azedo	Global leader – member firm network
Scott Barnes*	Global leader – specialist advisory services
Ian Evans	Global leader – tax services
Jonathan Geldart	Global director – marketing communications
Alex MacBeath	Global leader – privately held business services
Ken Sharp	Global leader – assurance services
Mike Starr	Chief operating officer

*Stepped down in December 2008 to take over as managing partner of Grant Thornton UK – position taken over by David Fisher from 1 January 2009.

Chief Executive Officer

The current chief executive officer is David McDonnell. He is responsible for the leadership and management of Grant Thornton. The role of the CEO includes the development and recommendation of strategic priorities and of policies and procedures for ratification by the Board of Governors (the Board), together with their subsequent implementation.

The CEO is regularly briefed by the relevant Global Leadership Board members on recommended modifications to the policies and procedures governing international work, including audit, tax and advisory services and risk management.

The CEO has responsibility for appointing the Global Leadership Board (subject to the concurrence of the Board of Governors) to assist him in the day to day management of the organisation. The CEO also has the authority to appoint new member firms in accordance with the criteria agreed by the Board of Governors.



Client acceptance/ reacceptance procedures

Member firms are required to comply with global policies and procedures addressing acceptance and reacceptance of clients. Certain potential/ existing assurance clients require approval by Grant Thornton International.

Assurance client acceptance review committee

The assurance client acceptance review committee is charged with reviewing and approving member firms' key assurance assignments. This committee is chaired by the executive director – risk and regulatory matters and is comprised of the worldwide director – quality control and certain member firm risk management/quality control partners nominated by their firms' managing partners. The committee members represent a geographically dispersed set of member firms. The committee only reviews assurance acceptance and re-acceptance submissions from member firms that meet one or more risk criteria. These criteria, which are reviewed regularly, cover a variety of potential key risks, including the size of the potential/existing assurance client, the amount of fees expected to be generated from the assignment, potential reputational issues that may impact the Grant Thornton brand and the member firm's recent prior experience with listed entities or with a particular industry. Key assurance assignments are reviewed by the committee every three years. Grant Thornton has identified about 300 key assurance assignments performed by member firms.





Risk management procedures

Risk management advisory committee

Managing risk across the global organisation is an integral part of implementing the global strategy. The executive director – risk and regulatory matters leads these efforts, which include:

- identifying the risks inherent in the global strategy and developing policies and procedures that help address those risks and
- integrating risk management into each of the global practice areas and enterprise functions (such as marketing and information technology), as well as working with member firms to assist and support their implementation of the global risk management policies and procedures.

The risk management advisory committee is chaired by the executive director – risk and regulatory matters. Membership of the committee includes risk management leaders from a number of member firms, global leaders of practice quality control programmes and Grant Thornton special projects counsel. This committee makes recommendations regarding risk management policies and procedures to the Global Leadership Board.

Areas covered by the global risk management policies and procedures include independence, ethics, member firm client acceptance and client re-acceptance, quality control and standard terms between member firms when servicing international engagements. Overall, there is a continuous focus on enhancing the risk management methodology.

Quality control systems

Supporting robust audit delivery

Assurance services

The global leader – assurance services, directs a central team that focuses on providing member firms with insights into the latest international accounting and auditing standards, a global audit methodology that is compliant with international auditing standards and related software tools for planning, performing and documenting the audits of both publicly and privately held businesses. He also oversees processes to provide reasonable assurance that training programmes related to the methodology and tools are rigorous and consistent. He chairs the assurance advisory committee (AAC), the members of which include the heads of assurance for all the major member firms. The AAC members are responsible for providing input to the assurance strategy and implementation of the strategy in their respective member firms.

Grant Thornton provides resources that assist member firms in delivering a robust and rigorous audit. They include:

- the Horizon™ audit methodology, with supporting state-of-the-art software, manuals and policies, benchmarked against International Standards on Auditing
- policies that comply with the ISQC, and the IFAC Code of Ethics for Professional Accountants
- protocols that enable member firms to consult with audit specialists in other member firms throughout the international organisation
- a comprehensive intranet service that includes up to date information for member firms on relevant professional standards, a worldwide restricted-entity list, an International Financial Reporting Standards help desk, topical alerts, financial statement templates and examples.

The Grant Thornton global audit methodology (known as Horizon) is a key element of the global assurance practice. During 2008, Horizon has been enhanced and new audit software has been developed. Over 40 member firms began implementation of this new software and methodology in 2008 with the completion of the rollout across all member firms scheduled for 2009.

Quality control procedures

One of the pillars of the global strategy is to support member firms in their delivery of consistent high quality client service worldwide. Quality control of assurance services is overseen by a worldwide director – quality control. Under his direction, member firms are provided with guidance on the design and implementation of their own quality control systems to support their compliance with all applicable international and local standards through the Grant Thornton Ethics and Quality Control Manual.

Ethics and quality control manual

One of the criteria for membership within Grant Thornton is that member firms and their personnel must comply with the IFAC Code of Ethics and the ISQC 1 or, if stricter, Grant Thornton's ethical and independence policies or local ethical standards. While the focus of ISQC 1 is on the provision of assurance services, it also addresses certain requirements for member firm governance and oversight that are relevant to all service lines.

National quality control systems

In addition to their own quality control procedures, member firms of Grant Thornton are required to abide by a system of quality control that encompasses, at a minimum, the following standards issued by the IFAC (as supplemented by additional Grant Thornton quality assurance policies):

- International Standard on Auditing 220: Quality Control for Audits of Historical Financial Information
- IFAC Code of Ethics for Professional Accountants.

These procedures provide Grant Thornton, other member firms and the member firm itself with reasonable assurance that its personnel comply with applicable professional standards and Grant Thornton policies and procedures.

All member firms, no matter their size, are required to have an effective internal inspection programme in place. Grant Thornton has developed a template to assist member firms in adopting their own internal quality control review inspection. This template includes guidelines, work programmes, forms and a draft report, all of which have been benchmarked to ISQC 1 and made available to member firms.

- ISQC 1: Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements





Grant Thornton Audit Review inspection programme

Every member firm is obliged to submit to an inspection of its audit practice by Grant Thornton, referred to as the Grant Thornton Audit Review (GTAR). GTAR is a systematic check of the quality of member firms' audit procedures carried out at least once every three years by independent and suitably qualified partners and managers from other member firms under the overall direction of Grant Thornton. The inspection process is designed to monitor member firms' compliance with professional standards and Grant Thornton's audit quality control policies and procedures.

The programme reviews the conduct of audit work performed by each member firm. Assessments evaluate policies and procedures of the member firm applicable to its assurance practice, benchmark those policies and procedures against relevant policies and procedures of the international organisation, review financial statements and audit reports that have been issued, review engagement files, and interview partners and staff on various matters.

The principal objective of the GTAR programme is to monitor a member firm's compliance with those professional standards and Grant Thornton's policies and tools that help promote quality throughout the Grant Thornton organisation. Personnel conducting the GTAR programme are required to:

- evaluate whether there is evidence that audits by member firms are performed in accordance with professional standards and Grant Thornton audit methodology (which incorporates International Standards on Auditing)
- assess the attitude toward quality that is exhibited by the member firm's leadership and how that attitude affects the development of a culture of high quality performance. This is commonly referred to as the "tone at the top"
- determine that audit reports issued by member firms are appropriate to the circumstances for the engagements reviewed
- review the member firms' processes for providing reasonable assurance of compliance with applicable ethical and independence standards
- review the member firm's compliance with ISQC 1 and the related Grant Thornton policies and procedures including those addressing independence and client acceptance matters.

The worldwide director – quality control has responsibility for the GTAR. There are two main aspects of the GTAR programme: GTAR inspections and action plan reviews.

GTAR inspections

Every member firm that provides assurance services is subject to an inspection at least once every three years. For those firms where the GTAR inspections identify a deficiency, the firm is expected to address the deficiency within a reasonable period of time and submit appropriate documentation to Grant Thornton. An accelerated GTAR inspection would thereafter usually be performed in order to give the member firm the opportunity to demonstrate improved results.

Action plan reviews

During the GTAR inspection process, recommendations are made, as needed, to improve a firm's overall system of quality control. For many firms, in the year following the GTAR inspection a visit is made to the member firm to review its implementation of these recommendations. These visits are referred to as action plan reviews.

National external inspections

In addition to periodic quality reviews by Grant Thornton under the GTAR programme, member firms also submit their audits for external inspection as part of their obligations to local regulators.

Remedial actions

In summary, one of the principal responsibilities of Grant Thornton is the setting and maintenance of standards for continued membership. These standards include compliance with all professional, statutory and regulatory mandates governing the performance of audit and other engagements. Grant Thornton has established policies for remediating violations and deficiencies identified in a GTAR inspection. This policy includes graduated remedial actions, up to and including expulsion of the member firm from the organisation. The type of remedial action recommended will depend on the nature and severity of the violation or deficiency.

Quality control procedures for non-audit services

Tax services

The global leader – tax services directs a central team, the responsibilities of which include reviewing the quality of service provided by member firms and training in international tax matters. He chairs the tax advisory committee (TAC), the members of which include the heads of tax of the major firms providing tax services. The TAC members are responsible for providing input to the tax services strategy, policies and procedures.

The global leader – tax services is assisted by an executive director – tax operations and an executive director – tax training and quality who is responsible for the design and delivery of a programme of international tax training and the introduction of a global tax services manual. The two executive directors share responsibility for the design and running of a periodic review programme of tax services by member firms.

The responsibility for matters of policy in relation to the quality of tax services rests with the executive director – training and quality who reports to the global leader – tax services.

During 2008 Grant Thornton introduced a tax services manual containing overarching principles that member firms are encouraged to apply. Its scope extends to legislative, regulatory, ethical and professional requirements applicable to the delivery of tax services in each member firm's territory. The principles apply to both domestic and cross-border matters. Adherence to these principles is monitored through the periodic review of each member firm undertaken in the Grant Thornton Tax Review programme (GTTR).

The executive director – tax operations is responsible for running the programme so that every member firm is reviewed over a four-year cycle. In carrying out a GTTR the extent to which a member firm carries out its own quality assurance review will determine the scope of the review undertaken by the Grant Thornton team.

Specialist advisory services (SAS)

The global leader – specialist advisory services chairs an advisory group, the SAS committee, which is comprised of SAS service line representatives from the larger member firms. The committee members are responsible for providing input to the SAS strategy, policies and procedures. The executive director – SAS risk management sits on the SAS committee and is responsible for the design and delivery of appropriate risk management and quality control measures for SAS authorisation of member firms. Detailed technical quality control of services within individual service lines is the responsibility of the global head for that service line in conjunction with the executive director – SAS risk management, including authorisation of member firms to provide certain services.

A list of the key risks for specialist advisory services is provided to all authorised member firms so that they can benchmark their policies and procedures. In addition, a specialist advisory services manual (the SAS manual) is made available to authorised member firms as a resource for documenting their approach to risk management. The SAS manual covers general risk management procedures for all specialist advisory services and also includes specific service line risk management procedures and guidance on conducting assignments. Member firms can edit this manual to reflect the local requirements of their own jurisdiction. The SAS manual is updated on an annual basis and interim policies, if required, are issued in SAS alerts which are then incorporated in the next update to the SAS manual.



Specialist advisory services authorisation

An authorisation process for specialist advisory services is in place to support the development of high quality services on a global basis across the organisation. This authorisation process sets out a number of requirements relating to risk management and quality control that support the delivery of these services by member firms including requirements that authorised firms:

- have written risk management procedures that comply with requirements set by Grant Thornton
- regularly review compliance with those procedures
- provide appropriate training to personnel involved in specialist advisory services.

Member firms that seek authorisation for the first time are subjected to an initial review and support visit to assist them in meeting the authorisation requirements and assess their ability to deliver services. All authorised firms are then subject to a periodic review, at least once every three years, to review compliance with authorisation requirements. Action plans are developed and monitored as part of this review process.

Authorised member firms are encouraged to implement an internal quality assurance review programme to review compliance with risk management procedures. Grant Thornton has designed a work programme for such internal quality reviews that sets out the minimum requirements and gives guidance, including who should carry out the review (for example, an independent but experienced partner) and how often (for example, the work of each partner should be reviewed at least once every three years).



Independence practices

Grant Thornton and its member firms monitor compliance with the independence policies, applicable rules and the IFAC Code of Ethics at multiple levels. At the international level, policy requires member firms to identify a partner with responsibility for independence matters, provision of training and obtaining annual confirmations of independence from all professional personnel.



Grant Thornton requires member firms to adopt policies and procedures to safeguard the independence of all member firms. These policies and procedures include a requirement for member firms to maintain a listing of companies considered 'restricted' as a result of an audit relationship. These restricted companies are required to be maintained on a global restricted list through a system maintained by Grant Thornton. Professional personnel in member firms have access to this global restricted list via the Grant Thornton intranet.

The global restricted list serves as a point of reference for member firms considering providing non-audit services to public companies. When the prospective client appears on the global restricted list, consultation is required with the audit partner to ensure that any threats to independence created by the proposed non-audit service can be adequately safeguarded and that the proposed non-audit service is permitted

Relationship checking

Professional standards require that member firms and professional personnel from all service lines maintain their objectivity when delivering services to clients. This objectivity could be threatened if two different services were to be delivered to the same client (such as recovery and reorganisation – specifically insolvency services – and audit, or representing opposing sides of a dispute as litigation support clients). For assurance services and some other service lines, maintaining independence from the client is required by professional standards.

Conducting reviews for potential conflicts of interest and/or threats to independence (jointly referred to as "relationship checks") prior to proposing on an engagement are important safeguards against these threats to objectivity. Grant Thornton has a standard approach to conducting these checks for potential relationships where the member firm client or prospective client has international operations.

Global independence team

The global independence team comprises five full time personnel led by the executive director – regulatory matters. This team oversees the global operations of the GIS (described below), and national level compliance with policies supporting the GIS. The executive director – regulatory matters also oversees the development and maintenance of global independence policies and procedures, communication to member firms regarding these policies and liaises with the worldwide director – quality control on the design of steps to be performed by GTAR inspection teams related to member firms' compliance with Grant Thornton independence policies.

Global independence system

The growing number of international clients served by member firms, together with the increasing complexity and scope of national and international independence standards, require the adoption and implementation of appropriate policies and systems to provide reasonable assurance that member firms comply with all applicable independence requirements. Accordingly Grant Thornton has adopted an automated independence tracking system, the Global Independence System (GIS). Partners and managers in member firms are required to maintain a portfolio in GIS of those publicly traded securities in which they have a financial interest.

The GIS monitors these financial interests against the global restricted list and is designed to alert the member firm or the individual professional and a national compliance officer in the event that a security held also appears on the global restricted list. The GIS provides a mechanism to assist the individual and the national compliance officer in determining whether the security may or may not continue to be held, based upon the facts and circumstances.

People and culture

Grant Thornton has established a framework to support the development of a common People and Culture strategy across all member firms. This framework is based on our common global vision and values. To establish closer cross-border relationships within the Human Resources (HR) community, the executive director – human resources strategy has an advisory committee of the HR leaders from 10 member firms. Through the collaborative efforts of these leaders, we have focused on creating and encouraging consistent HR standards that will enable member firms to attract, develop and retain high quality people.

People and culture initiatives include:

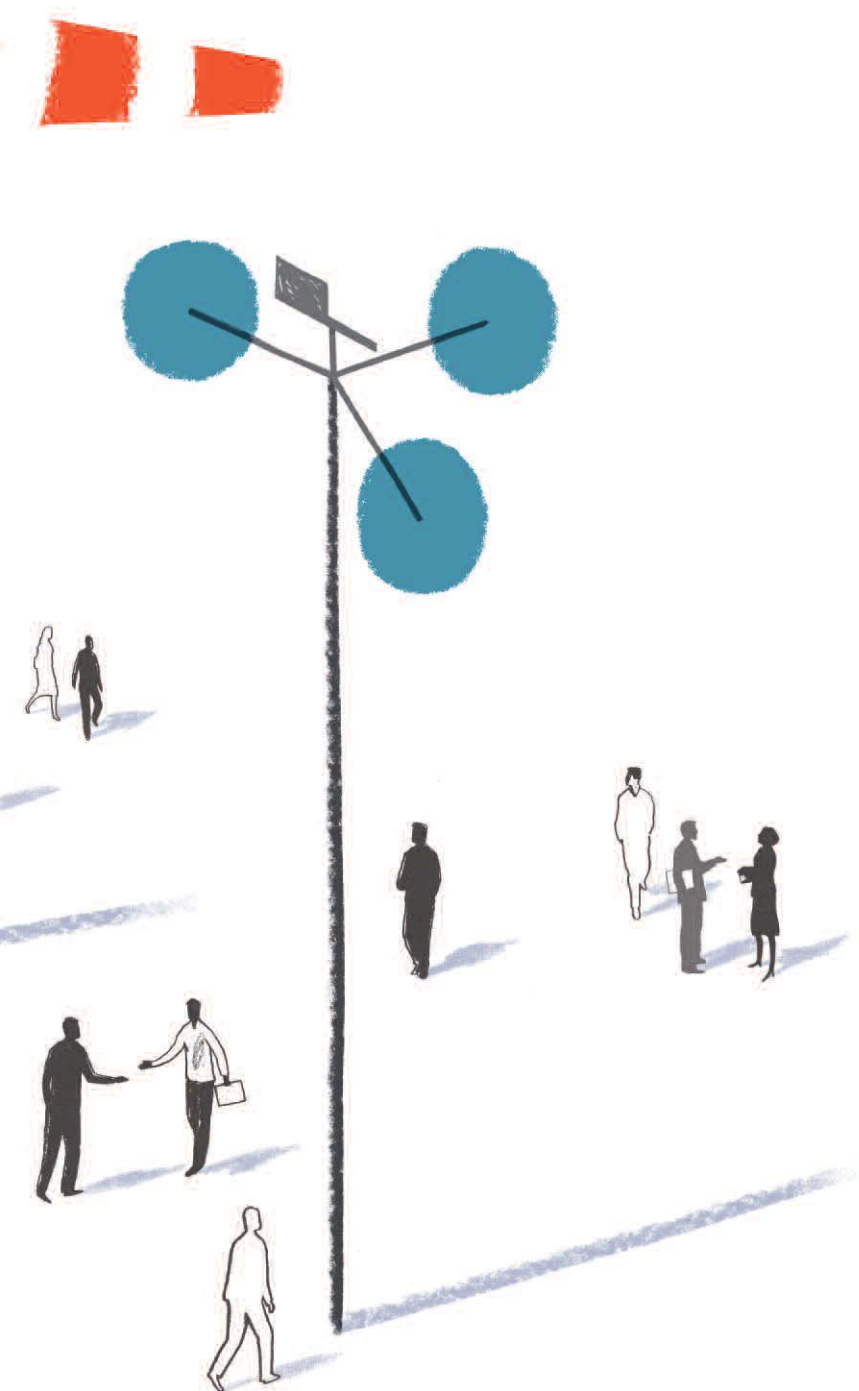
- the Grant Thornton Leadership Institute, comprised of milestone programmes to support leadership development for experienced managers and partners
- a global talent mobility programme and
- a global employer brand initiative designed to provide existing and future personnel with an understanding of the global brand, culture and business strategy.

In addition to an International Partner Development Programme, now in its sixth year, in 2008, the Leadership Institute launched a pilot Advanced Manager Programme for experienced managers. Both programmes bring together high-calibre individuals from member firms across the global organisation with the aim of creating the next generation of international leaders.

Continuing education

While the majority of technical training takes place within member firms, Grant Thornton makes a significant investment to train auditors in all member firms in the global audit methodology. The audit methodology, known as Horizon, is supported by state of the art technology. Significant effort and resource has been committed to make the training programme technically rigorous to support implementation throughout member firms so that the audit needs of both public interest and privately held companies can be met appropriately, regardless of their size or complexity.





Grant Thornton has a full time International Financial Reporting Standards (IFRS) team that is responsible for promoting high quality, consistent application of IFRS throughout the global organisation. The IFRS team is advised and supported by member firms' IFRS experts including an IFRS interpretations group. The IFRS team promotes consistency through an international training programme, operating an IFRS helpdesk service and by publishing extensive technical and interpretive guidance, newsletters and other tools and resources. These materials, along with IFRS developments, are communicated via a network of designated IFRS champions in member firms. For firms with significant IFRS work, the Grant Thornton Audit Review inspection team will include team members who are experienced in IFRS accounting. Any issues concerning IFRS are brought to the attention of the Grant Thornton IFRS team for review to determine if training or additional guidance is necessary.

In the profession

Being at the forefront of professional development is vital. Grant Thornton's people have experience and expertise, and they are encouraged to speak out. So they take an active role in organisations that deal with regulation, standards, ethical behaviour and all aspects of professional development. It also helps keep us informed and enables Grant Thornton to take on a leadership role in the debate.

Financial information

Funding of Grant Thornton

Grant Thornton is funded by annual contributions from the member firms. The annual contribution is calculated as a percentage of a member firm's turnover for the 12 months ended 30 September.

The Global Leadership Board submits a proposed budget for the following calendar year to a sub-committee of the Board of Governors for scrutiny and approval. The Board of Governors agrees the final budget and the level of member firm contributions required to meet the budget.

The Grant Thornton budget funds the following global activities:

- salaries and related costs for members of the Global Leadership Board and the other personnel of Grant Thornton International
- costs relating to travel and expenses incurred as a result of the activities of the Board of Governors, Global Leadership Board and visits with member firms
- risk and regulatory matters infrastructure which includes, for example, the organisation's Global Independence System and Grant Thornton Audit Review inspection programme
- member firm development
- service line support for global assurance, tax, specialist advisory services and privately held business services (for example, audit software and related methodology training, development of tax training programme)

- global public policy activities (for example, the organisation's membership of, contribution to, or involvement with, the IFAC, the International Accounting Standards Committee Foundation (IASCF), the Forum of Firms, the Global Public Policy Committee)
- global marketing, brand and communications activities
- global HR initiatives and practices (for example, the international partner development

programme, the global talent mobility programme)

- global IT support (for example, the technology platform and web team that support the public website gti.org and the global intranet gtinet.org).

Grant Thornton accounts are audited by independent auditors and submitted to Companies House in compliance with UK Company Law. The audit committee of the Board of Governors is responsible for reviewing the audit process.

Worldwide member firm fee income (US\$ million)

Worldwide fee income by service line	2008		2007
Assurance and accountancy	1,979	+15%	1,729
Tax	839	+14%	739
Specialist advisory services (refer to footnote 9.1)	1,048	+15%	913
Other (refer to footnote 8.2)	90	+13%	80
Total	3,956	+14%	3,461
Specialist advisory services consists of:			
Business risk services	186	+14%	163
Corporate finance	259	+7%	243
Recovery and reorganisation	235	+10%	214
Forensics and investigations	98	+32%	74
Public sector advisory	163	+42%	115
Other business advice and consulting services (refer to footnote 9.1)	107	+3%	104
	1,048	+15%	913

Worldwide member firm fee income (US\$ million)

Worldwide fee income by region	2008		2007		2006		2005
Americas	1,775	+9%	1,624	+15%	1,417	+18%	1,206
Asia Pacific	364	+42%	257	+25%	206	+22%	169
Europe, Middle East and Africa	1,817	+15%	1,580	+38%	1,149	+6%	1,079
	3,956	+14%	3,461	+25%	2,772	+13%	2,454

Worldwide member firm personnel

By region	2008		2007		2006		2005
Americas	11,782	+5%	11,254	+7%	10,486	+13%	9,261
Asia Pacific	5,556	+31%	4,248	+17%	3,640	+19%	3,070
Europe, Middle East and Africa	13,406	+8%	12,359	+18%	10,451	+7%	9,735
Total number of people	30,662	+10%	27,861	+13%	24,577	+11%	22,066
Member firms	96	+3%	93	-1%	94	+2%	92
Member firm offices	502	+2%	490	+2%	479	-1%	484
Member firm partners	2,610	+7%	2,448	+10%	2,220	+6%	2,094

Background and methodology to financial information

1 Grant Thornton

- 1.1 Grant Thornton refers to Grant Thornton International Ltd, which is a not-for-profit, non practising, international umbrella membership entity organised as a private company limited by guarantee not having a share capital incorporated in England and Wales. Services are delivered independently by the Grant Thornton member firms.

2 Firms

- 2.1 The results reported in this financial report are for member firms only, as Grant Thornton believes this reflects more clearly the breadth and strength of international accounting organisations.

3 Fee income

- 3.1 Fee income represents the aggregate fee income of the individual member firms.
- 3.2 All member firms have reported to a single year-end date (30 September) for consistency and comparability.
- 3.3 Member firms reported fee income net of local sales taxes.
- 3.4 Fee income is reported inclusive of rechargeable expenses.
- 3.5 Some member firms underwent mergers with other firms during the year, with the resultant firm remaining a member firm within Grant Thornton. In these cases, the fee income for all parties to the mergers has been included for the full year.
- 3.6 Certain member firms terminated their membership agreements with Grant Thornton during the year. In these cases no fee income has been included in the aggregated fee income for the year.

4 Exchange rate

- 4.1 Fee income reported by member firms was translated into US dollars using the average inter-bank exchange rate over the 12 months to the year-end date.

5 Member firm offices

- 5.1 An office is defined as a single building or collection of buildings in a close geographic area that is treated as a separate administrative entity.
- 5.2 Office numbers are reported as at 30 September.

6 Member firm partners

- 6.1 A partner is a proprietor, direct or indirect shareholder, equity or non-equity partner, principal, or any individual who assumes the risks and benefits of member firm ownership, or who is otherwise held out by the member firm to be the equivalent of any of the above.

7 Member firm personnel numbers

- 7.1 Member firm personnel numbers refer to both partners and staff.
- 7.2 Member firm personnel numbers are reported as at 30 September.

8 Service line performance

- 8.1 The service line performance represents the core activities of the member firms of the Grant Thornton International organisation and is defined as follows:
- assurance and accountancy
 - tax
 - specialist advisory services, including, but not limited to, business risk services, forensic and investigation services, recovery and reorganisation and transaction advisory services.

- 8.2 The other activities of the member firms of the Grant Thornton organisation include:
- accounting and software training
 - company formation, secretarial and administration
 - legal services IT software licensing
 - human resources consulting.

9 Legacy service line performance

- 9.1 "Other business advice and consulting services" are included here as part of Specialist Advisory Services activity. In the 2008 Transparency Report, these activities were reported under "Other" and excluded from Specialist Advisory Services.

Partner remuneration

Grant Thornton CEO remuneration

The Board of Governors is responsible for setting the remuneration of the CEO.

Member firm partner remuneration

Member firm partner remuneration is determined locally by member firms. Member firms are responsible for their own partner nominations, admissions, remuneration, advancement and monitoring. The remuneration for other member firm personnel is also set locally.

Public interest entities

As stated earlier, only member firms provide audit services. For a list of public interest entities for which Grant Thornton member firms have carried out statutory audits please see individual member firm transparency reports.

Top 10 countries by fee income (US\$ thousand) – 2008

By service line	United States	United Kingdom	Canada	Germany	France
Assurance and accountancy	576,033	248,373	230,658	102,796	121,419
Tax	312,546	207,456	95,387	45,136	12,982
Specialist advisory services	316,057	341,379	101,327	35,999	29,733
Other	–	–	18,345	10,713	4,871
	1,204,636	797,208	445,717	194,104	169,005

Specialist advisory services consists of:

Business risk services	112,742	20,231	20,683	1,466	2,155
Corporate finance	20,706	90,161	16,097	22,539	24,189
Forensic and investigations	50,107	32,561	5,801	1,390	503
Public sector	102,190	35,127	6,955	0	329
Recovery and reorganisation	30,312	137,678	38,586	2,266	2,248
Other business advice and consulting services	0	25,621	13,205	8,338	309
	316,057	341,379	101,327	35,999	29,733

Top 10 countries by fee income (US\$ thousand) – 2007

By service line	United States	United Kingdom	Canada	Germany	France
Assurance and accountancy	574,497	227,267	196,222	83,789	95,817
Tax	294,132	192,291	84,258	33,934	10,973
Specialist advisory services	273,628	318,203	99,822	39,152	25,734
Other (see footnote 9.1)	–	12,043	5,840	7,118	4,127
	1,142,257	749,804	366,142	163,993	136,651

Specialist advisory services consists of:

Business risk services	114,500	8,201	18,084	1,549	380
Corporate finance	29,580	93,892	14,736	23,342	22,536
Forensic and investigations	22,245	37,323	7,058	2,544	396
Public sector	84,287	23,582	947	133	289
Recovery and reorganisation	23,016	131,717	36,177	1,843	1,428
Other business advice and consulting services (see footnote 9.1)	0	23,488	22,820	9,741	705
	273,628	318,203	99,822	39,152	25,734

Top 10 countries by fee income (US\$ thousand) – 2008

By service line	Sweden	Australia	Netherlands	Ireland	Japan
Assurance and accountancy	107,775	42,778	47,051	34,752	44,369
Tax	19,850	30,850	16,097	11,848	7,142
Specialist advisory services (refer to footnote 9.1)	9,632	64,946	10,174	12,879	7,518
Other (refer to footnote 8.2)	3,163	1,256	2,425	4,155	1,057
	140,420	139,830	75,747	63,634	60,086

Specialist advisory services consists of:

Business risk services	1,368	3,627	156	2,003	32
Corporate finance	3,053	15,732	2,029	6,661	4,762
Forensic and investigations	125	1,235	0	917	9
Public sector	280	12,418	0	1,838	0
Recovery and reorganisation	93	13,214	0	1,460	102
Other business advice and consulting services	4,713	18,720	7,989	0	2,613
	9,632	64,946	10,174	12,879	7,518

Top 10 countries by fee income (US\$ thousand) – 2007

By service line	Sweden	Australia	Netherlands	Ireland	Japan
Assurance and accountancy	80,838	22,326	41,635	27,254	31,894
Tax	20,603	9,176	14,252	8,459	7,871
Specialist advisory services	3,729	42,239	3,747	16,016	5,591
Other (see footnote 9.1)	995	2,048	2,048	3,125	1,287
	106,165	75,789	61,963	54,854	46,643

Specialist advisory services consists of:

Business risk services	0	813	333	2,118	0
Corporate finance	3,279	8,593	1,657	10,401	1,663
Forensic and investigations	0	845	0	955	0
Public sector	0	0	0	857	0
Recovery and reorganisation	0	8,988	0	1,685	573
Other business advice and consulting services (see footnote 9.1)	0	23,000	1,757	0	3,355
	3,729	42,239	3,747	16,016	5,591

Grant Thornton International



Grant Thornton International firms worldwide

Antilles*	Finland	Kuwait	Russia
Argentina	France	Latvia*	Saudi Arabia
Armenia	Gabon*	Lebanon	Serbia*
Australia	Germany	Liechtenstein*	Singapore
Austria	Ghana*	Luxembourg	Slovak Republic
Bahamas	Gibraltar	Macedonia	Slovenia
Bahrain	Greece	Malaysia	South Africa
Belgium	Guam	Malta	Spain
Bermuda*	Guatemala	Mauritius	Sri Lanka*
Botswana	Guyana*	Mexico	Sweden
Brazil	Honduras	Morocco	Switzerland
Bulgaria	Hong Kong	Mozambique	Taiwan
Cambodia	Hungary	Namibia	Thailand
Canada	Iceland	Netherlands	Tunisia
Cayman Islands	India	New Zealand	Turkey
Channel Islands	Indonesia	Nicaragua	Turks and Caicos*
Chile	Iran*	Nigeria*	Uganda
China	Ireland	Norway	Ukraine
Colombia	Isle of Man	Oman	United Arab Emirates
Costa Rica	Israel	Pakistan	United Kingdom
Croatia	Italy	Panama	United States
Cyprus	Jamaica	Philippines	Uruguay
Czech Republic	Japan	Poland	Venezuela
Denmark	Jordan	Portugal	Vietnam
Dominican Republic	Kenya	Puerto Rico	Yemen
Egypt	Korea	Qatar	Zambia
El Salvador	Kosovo	Romania*	

This list represents the countries and territories where Grant Thornton International member and correspondent* firms currently have operations. June 2009.

l firms worldwide

If you would like to find out more about how Grant Thornton member firms can assist you, please contact Gabriel Azedo, global leader – member firm network. Alternatively, to find your local member firm, please visit the Grant Thornton International website at www.gti.org.

David McDonnell
Chief executive officer
Grant Thornton International
Regent's Place
338 Euston Road
7th Floor
London NW1 3BG
United Kingdom
T +44 (0)20 7391 9502

Mike Starr
Chief operating officer
Grant Thornton International
175 West Jackson Boulevard
20th Floor
Chicago, IL 60604
United States of America
T +1 312 602 8705

Gabriel Azedo
Global leader – member firm network
Grant Thornton International
13th Floor, Gloucester Tower
The Landmark
15 Queens Road Central
Hong Kong
T +852 2218 3111

Jonathan Geldart
Global director – marketing communication
Grant Thornton International
Regent's Place
338 Euston Road
7th Floor
London NW1 3BG
United Kingdom
T +44 (0)20 7391 9530

Alex MacBeath
Global leader – privately held business services
Grant Thornton International
50 Bay Street, 12th Floor
Toronto
Ontario, M5J 2Z8
Canada
T +1 416 360 5048

Ken Sharp
Global leader – assurance services
Grant Thornton International
Charlotte Plaza
201 South College Street
Suite 2500
Charlotte, NC 28244
United States of America
T +1 704 632 6781

David Fisher
Global leader – specialist advisory services
Grant Thornton International
Regent's Place
338 Euston Road
7th Floor
London NW1 3BG
United Kingdom
T +44 (0)20 7391 9517

Ian Evans
Global leader – tax services
Grant Thornton International
Regent's Place
338 Euston Road
7th Floor
London NW1 3BG
United Kingdom
T +44 (0)20 7391 9544





www.gti.org

© 2009 Grant Thornton International Ltd. All rights reserved.
Grant Thornton International Ltd (Grant Thornton International) and
the member firms are not a worldwide partnership. Services are
delivered independently by the member firms.