

**Transparency report for**

**Grant Thornton (Gibraltar) Limited**

**For the year ended 30 September 2019**



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# Transparency Report for the year ended 30 September 2019

## Introduction

As required by the Financial Services (Auditors) Act 2009 now superseded by the Financial Services Act, 2019 (the Act) audit firms that carry out statutory audits of public interest entities are required to possess a website and publish on it within three months of the end of each financial year an annual transparency report that sets out certain minimum information about the firm, systems of quality control, independence procedures and practices. This report contains information in respect of these requirements for Grant Thornton (Gibraltar) Limited.

Approved by the Board on 16 April 2020



Grant Thornton (Gibraltar) Limited

## 1. Legal structure and ownership

Grant Thornton (Gibraltar) Limited (the firm) is a limited company incorporated in Gibraltar on 14 September 2004 with registered number 92786. Prior to incorporation the business in Gibraltar traded as a partnership. The share capital of the Firm consists of two classes of shares. Redeemable preference shares are issued as participating shares in the profits of the Firm by way of dividend distribution. Ordinary shares may not participate in the profits of the Firm but hold voting rights. Ordinary shares may only be held by individuals who are directors of the Firm.



## 2. Our international organisation

Grant Thornton (Gibraltar) Limited is the Gibraltar member firm of Grant Thornton International Limited (GTIL).

Grant Thornton International is a private company limited by guarantee, incorporated in England and Wales. It is a non-practicing international umbrella entity that does not provide services to clients.

Grant Thornton member firms around the world deliver services to clients. References to 'Grant Thornton' in this report are to the brand under which the Grant Thornton member firms provide assurance, tax, advisory, outsourcing and other services to their clients, and encompasses or refers to one or more member firms, as the context requires. Each member firm is a separate legal entity. Membership of the global network does not make any firm responsible for the services or activities of other member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts and omissions. The latest figures available from GTIL are for 30 September 2018. At 30 September 2018, GTIL had independent member firms in more than 135 countries with aggregate revenues of US\$5.45 billion (2017: US\$5.0 billion), and a headcount of 53,000 people (2016: 50,000).

## Member firm admissions

Prospective member firms must meet a number of criteria in order to be considered for membership, which include:

- the prospective firm's reputation for quality and its adherence to high standards
- adoption of global policies, procedures and methodologies, including methods and quality control systems for providing services to clients, engagement protocols; and ethical and independence policies
- maintaining a system of quality control that meets or exceeds International Standard on Quality Control (ISQC) 1 and agreement to periodic evaluation of the system of quality control by the global monitoring teams.

## Funding of Grant Thornton International

Grant Thornton International is funded by annual contributions from the member firms. The approved budget determines the aggregate annual contribution which is then allocated to member firms in proportion to the member firm's turnover for the 12 months ended 30 September. The Board of Governors agrees the final budget and the level of member firm contributions required to meet the budget.

## Governance and leadership

The key governance and leadership bodies of GTIL are the Global Board of Governors and the Global Leadership Team. A summary of their roles and responsibilities is set out below.

### Board of Governors

The Board of Governors (the Board) is the principal and overriding authority in GTIL. The Board exercises governance over GTIL. The Board comprises the Chair of the Board (the Chair) Chief Executive Officer of GTIL (CEO), managing partners from the largest Grant Thornton member firms, managing partners elected or appointed from Grant Thornton member firms outside of the largest firms and independent executive directors.

The Board aims for a reasonable balance of representation from different geographical areas, including emerging markets. The Board's responsibilities include:

- approving global strategic direction and policies
- overseeing the implementation of the global strategy
- overseeing membership matters (including approving new member firms, suspending the rights of, or expelling a member firm)
- appointing and setting the remuneration of the Chair of the Board
- appointing, evaluating performance and setting the remuneration of the CEO
- approving the budget and member firm fees
- overseeing the financial health of GTIL
- overseeing global enterprise risk management
- overseeing general governance matters, such as the composition and performance of the Board.

The Board members as at 1 January 2019 comprised:

- **Scott Barnes**, Chair
- **Peter Bodin**, CEO
- **Mike McGuire**, United States
- **David Dunckley**, UK
- **Xu Hua**, China
- **Emilio Imbriglio**, Canada (observer)
- **Kevin Ladner**, Canada
- **Daniel Kurkdjian**, France
- **Victor Sekese**, South Africa
- **Anna Johnson**, Sweden
- **Joachim Riese**, Germany
- **Vishesh Chandiok**, India
- **Vassilis Kazas**, Greece
- **Maria Victoria C. España**, Philippines
- **Hisham Farouk**, UAE
- **Shigeyoshi Yamada**, Japan
- **Gagik Gyulbudaghyan**, Armenia
- **Judith Sprieser**, Independent Board Member

## Independent Board members

Independent Board members bring a valuable external business perspective to the deliberations of the Board, add to the network's profile and increase Board transparency.

Independent Board members support the network's public interest responsibilities and its attitude towards quality, risk management and governance, as well as the network's effectiveness in executing its strategic goals. GTIL has processes in place to ensure that the appointment of independent Board members and their ongoing services are compliant with relevant independence rules.

## Standing committees

There are seven standing committees with authority and powers for certain matters as delegated to them by the Board.

**Governance committee (GC)** ensures efficient and effective operation and oversight of GTIL's leadership structures and performance.

**Strategy committee (SC)** advises on the development, alignment and execution of the global strategy.

**Budget and audit committee (BAC)** oversees the GTIL budget and audit processes to ensure the successful execution of the global strategy and adherence to the fiduciary responsibilities of GTIL.

**Member firm matters committee (MFMC)** considers and determines resolution of recommendations made by the global leadership team (GLT) relating to member firm matters. Considerations include member firm terminations, complaint handling and proposed changes to the rules and agreements that materially affect member firms.

**Enterprise risk management committee (ERMC)** has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms.

**Technology and innovation committee (TIC)** governs and oversees Grant Thornton's

global technology and innovation strategy and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives.

**CEO compensation committee (CEOCC)** executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development.

The use of standing committees allows a more efficient and effective discharge of the Board's responsibilities and involves others in the activities of the Board. Each standing committee is chaired by a Board member and its membership includes, but is not limited to, Board members.

## Chief Executive Officer

The CEO is appointed by the Board for an initial term of up to five years, renewable once for a further period of up to three years. In 2017, the Board appointed Peter Bodin, formerly the CEO of the Swedish member firm, to be the GTIL CEO for a term of five years, as of 1 January 2018.

The CEO is responsible for the leadership of GTIL. The role of the CEO includes the development and recommendation of global strategic priorities for ratification by the Board, together with overseeing execution of these priorities. The CEO has responsibility for appointing the global leadership team (GLT), subject to the concurrence of the Board. The GLT assists the CEO in the execution of the global strategy. The CEO works closely with the GLT in maintaining global policies and procedures, including those governing international work for the assurance, tax and advisory service lines.



## Global Leadership team

The GLT develops and drives the execution of the global strategy and is chaired by the CEO. It is a full-time management group dedicated to leading the network in the successful execution of the strategy. Between them, GLT members have global development, service lines, functional and regional responsibilities.

A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Its ambition is to help build strategic sustainable growth for Grant Thornton member firms and their clients globally, with a focus on quality.

The GLT members and their responsibilities as at 1 January 2019 are:

- **Peter Bodin**, CEO
- **Hilary East**, Office of the CEO
- **Francesca Lagerberg**, Network capabilities
- **Paul English**, Markets and clients
- **Antony Nettleton**, Quality and risk
- **Jason Ramey**, Service lines and industries
- **Dave Peneycad**, Operations and projects
- **Kim Schmidt**, Leadership, people and culture

## Risk management

Risk management is an enterprise-wide activity overseen by the Enterprise risk management committee (ERMC). The ERMC is made up of several Board members and is chaired by GTIL's independent board member. The ERMC reports on its activities to the Board.

Enterprise risk management at Grant Thornton focuses on processes to identify, monitor and manage key risks in a prioritised manner including a strong emphasis on continuous procedures to monitor quality and improvements to the quality of service delivery.

More information can be found at [www.grantthornton.global](http://www.grantthornton.global).

## Global quality

### Global Quality Framework

The Global Quality Framework is an overarching standard which applies to Grant Thornton member firms. It sets common quality standards across assurance, tax and advisory services.

The framework is a permanent reference point setting the expectations of member firms to deliver services to agreed quality standards. It sets out the global 'tone from the top'. Quality is about making our organisation perform for all our stakeholders – from improving services, systems and processes, to meeting applicable professional standards.

GTIL, aims to support member firms to deliver the right service, to a high standard in a way that makes clients recommend member firms and improves public trust in our profession.

Grant Thornton (Gibraltar) Limited is required to meet certain standards on leadership, ethical requirements, client acceptance and continuance, people, engagement performance and monitoring.

### Assurance quality

Grant Thornton views quality as an essential element of the assurance service line. Member firms are focused on delivering high-quality engagements with exceptional client service in an ever-changing environment.

The global network has established policies and procedures, service delivery systems, controls and risk management systems to provide the necessary framework to meet professional standards. Member firms are provided with support and resources to help maintain quality, including:

- an audit methodology, with supporting software, that is used globally
- policies and procedures contained in audit manuals that are benchmarked against international auditing, quality control, independence and ethics standards

- protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms
- protocols that enable member firms to consult with GTIL's International Financial Reporting Standards helpdesk
- a comprehensive intranet service that includes up-to-date information for member firms on auditing, financial reporting, ethics and independence standards and guidance on applying them effectively.

### Global audit methodology and technology

Grant Thornton are in the process of implementing a revised audit methodology and suite of tools referred to as Leading Effective Audit Practice (LEAP). This replaces the extant Horizon audit methodology. The LEAP methodology is adapted by each member firm for local jurisdictional and regulatory requirements. Having a global methodology enables Grant Thornton to provide high-quality audits and apply a consistent approach to multinational organisations.

### Client acceptance and continuance

Achieving professional excellence means accepting and retaining clients that share Grant Thornton's values of quality and integrity. Grant Thornton's global client acceptance and continuance procedures are designed to ensure member firms accept the right clients.

Member firms are required to comply with global policies and procedures relating to client acceptance and continuance. Member firms that want to accept certain large or high-risk clients must seek approval from a global Key Assurance Assignment (KAA) committee, which considers whether these engagements represent an acceptable risk to the global network.

### International Financial Reporting Standards (IFRS) support

A full-time global IFRS team is responsible for promoting high quality consistent application of IFRS throughout the network.

An IFRS interpretations group, a financial instrument working group and an insurance working group (made up of IFRS experts from member firms), provide advice, guidance and support to the team. The team promotes consistency across all member firms by:

- offering face-to-face training programmes and e-learning resources
- operating an IFRS help desk service
- providing an IFRS checklist and an IFRS interim reports checklist
- publishing extensive technical, interpretive guidance, newsletters and other tools and resources, internally and externally.

Grant Thornton also actively contributes to the development of IFRS. For example, GTIL submit global comment letters on International Accounting Standards Board (IASB) proposals for new and amended standards, we respond to IASB outreach requests on a wide variety of evolving accounting topics, and our professionals participate in relevant events such as round-table expert discussions.

At the time of writing, Grant Thornton is represented on the IFRS Advisory Council, the IASB's Transition Resource Group for Revenue Recognition and the IFRS for SMEs Implementation Group.



## Audit quality monitoring

Grant Thornton (Gibraltar) Limited is required to abide by GTIL's system of quality control that encompasses, at a minimum, the following standards issued by the standard-setting boards of the International Federation of Accountants (IFAC), including:

- International Standard on Quality Control 1 (ISQC1)
- International Standard on Auditing 220: Quality Control for Audits of Historical Financial Information
- IESBA Code of Ethics for Professional Accountants.

GTIL requires each member firm's system of quality control to be designed to provide global and national management with reasonable assurance that audit engagements are conducted in accordance with applicable professional standards and global policies and procedures.

GTIL requires its member firms to have an effective internal inspection programme in place that meets the requirements of ISQC1. To facilitate the adoption of such practices, member firms are provided with templates that include guidelines, work programmes, forms and examples of reports that have all been benchmarked to ISQC1.

The Grant Thornton Assessment and Review (GTAR) is a key part of the GTIL global quality framework. It has been the primary mechanism for reviewing member firm quality for many years and has been effective in identifying deficiencies in member firm processes and supporting member firms to improve standards of quality and risk management. Each member firm is obligated to submit to a review of its quality control system at least once every three years.

Global monitoring helps to reinforce the requirement that member firms have an effective process for ensuring that the right people are using the right tools to apply the methodology in the right ways. In 2018, the GTAR process was extended to include tax and advisory engagements in addition to assurance.

A dedicated team is responsible for managing this programme. GTARs are coordinated by a member of the GTIL global quality team and includes a team of independent and suitably qualified partners and experienced managers from member firms under the overall direction of the global head of quality. The global quality team, in collaboration with member firm partners, also carry out reviews to evaluate the quality and suitability of firms interested in joining the network. There are equivalent review processes for other network services.

When the GTAR identifies a deficiency, the member firm must address the deficiency within a reasonable period by developing an action plan to address the findings and submitting appropriate documentation. In some instances, further visits to the member firm or remote assessments take place to follow up on the firm's progress toward implementing the required actions. The global quality monitoring team closely monitors the progress of the member firms in addressing the deficiencies noted during the review.

Where the global quality monitoring identifies matters, member firms are given the opportunity to improve quality and are provided with support from the network.

However, if member firms do not improve quality, GTIL will take remedial action where necessary. For example, a number of member firms have been expelled from the global network in recent years due to poor quality.

The GTAR programme aims to protect the brand and reputation of the Grant Thornton network and the member firms, helps to maintain high standards in the network and provides safeguards for referral work through the promotion of common high standards, as well as to protect investor interests. Through a global intranet site, designated member firm representatives have access to GTAR reports, which offer an overall review opinion and include a description of any significant deficiencies or material weaknesses in a specific firm's quality control systems.



## Grant Thornton member audit firms – European Union (EU)/European Economic Area (EEA) member states

The table below contains a list of EU/EEA Grant Thornton member firms which perform statutory audits of annual and consolidated annual financial statements and the countries in which they are registered or have their principal place of business as at 30 September 2019. Total revenues attributable to EU/EEA member firms is USD599m (approximately 27% of total global assurance revenues of USD2.2 billion)

Country	Legal entity	Country	Legal entity
Austria	Grant Thornton Austria GmbH	Ireland	Grant Thornton
Austria	Grant Thornton VERAX Wirtschaftsprüfungs - und Steuerberatungs Gesellschaft mbH	Ireland	Grant Thornton (NI) LLP
Belgium	Grant Thornton Bedrijfsrevisoren CV	Italy	Ria Grant Thornton S.p.A.
Bulgaria	Grant Thornton OOD	Latvia	Grant Thornton Baltic Audit SIA
Croatia	Grant Thornton revizija d.o.o.	Lichtenstein	ReviTrust Grant Thornton AG, Schaan
Cyprus	Grant Thornton (Cyprus) Ltd	Lithuania	Grant Thornton Baltic UAB
Czech Republic	Grant Thornton Audit s.r.o.	Lithuania	Grant Thornton Baltic UAB Kauno filialas
Denmark	Grant Thornton Statsautoriseret Revisionspartnerselskab	Lithuania	Grant Thornton Baltic UAB Klaipėdos filialas
Estonia	Grant Thornton Baltic OÜ	Luxembourg	Compliance & Control S.A.
Finland	Revico Grant Thorton Oy	Luxembourg	Grant Thornton Audit & Assurance
Finland	Idman Vilen Grant Thornton Oy	Luxembourg	Team Audit S.A.
Finland	Advico Finland Oy	Malta	Grant Thornton Malta
France	Grant Thornton	Netherlands	Grant Thornton Accountants en Adviseurs BV
France	AEG Finances	Norway	Grant Thornton Revisjon AS
France	IGEC	Poland	Grant Thornton Frąckowiak Sp. z o.o sp.k.
France	Tuillet Audit	Poland	Grant Thornton Polska Sp. z o.o. Sp.k
France	Cabinet Didier Kling & Associes	Portugal	Grant Thornton & Associados, SROC,Lda
France	Carib Audit & Conseil	Romania	Grant Thornton Audit SRL
Germany	Warth & Klein Grant Thornton AG	Slovak Republic	Grant Thornton Audit, s.r.o.
Germany	Warth & Klein Grant Thornton GmbH & Co. KG	Slovenia	Grant Thornton Audit d.o.o.
Germany	Trinavis GmbH & Co. KG Wirtschaftsprüfungsgesellschaft	Spain	Grant Thornton, S.L.P.
Germany	WPG Wohnungswirtschaftliche Prüfungs- und Treuhand GmbH	Spain	Grant Thornton Andalucia, S.L.P.
Gibraltar	Grant Thornton (Gibraltar) Ltd	Spain	Cruces Y Asociados Auditores, S.L.P.
Greece	Grant Thornton SA	Sweden	Grant Thornton Sweden AB
Hungary	Grant Thornton Audit Kft.	United Kingdom	Grant Thornton UK LLP
Iceland	Grant Thornton endurskoðun ehf		

### 3. Governance

The board of directors of Grant Thornton (Gibraltar) Limited provides strategic and operational leadership to the firm and meets on a frequent basis. The board retains overall responsibility for the functioning of the audit service line as well as the other services provided by the firm. The board is also responsible for the monitoring of risk within the firm.

### 4. Internal quality control system

The firm adheres to the guidance and quality control requirements set out by GTIL, along with the requirements set out in the IAASB's International Standard on Quality Control 1. According to ISQC 1, the elements of a quality control system are the following:

- Leadership responsibilities for quality within the firm
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Human resources
- Engagement performance
- Monitoring

Grant Thornton (Gibraltar) Limited implements the requirements of ISQC 1 as follows:

#### Leadership responsibilities for quality within the firm

Our success is driven by a commitment to excellence, delivering the highest quality of service to our clients. The board of directors have overall responsibility for quality within the firm. A director who may also be referred to as a "partner" is assigned to every audit engagement. Our quality and risk framework is embedded throughout the firm. The framework brings a rigorous approach to all service offerings in areas such as client acceptance, quality control and competence. Its primary purpose is to underpin our commitment to quality, integrity and ethical behaviour across the firm.

### Relevant ethical requirements

The firm is subject to ethical and independence standards set by the International Federation of Accountants (IFAC).

However, we recognise that our reputation is built on the individual and collective behaviours of our people. We help our people to understand their ethical responsibilities by providing clear policies and procedures, efficient and intuitive systems, a strong culture of support and consultation and regular training. The firm's procedures and policies are included in our Ethics and Quality Control Manual. All directors and staff sign an annual declaration confirming compliance with the relevant ethical requirements.

We have a strong culture of consultation and support. The firm provides an environment where consultation with the directors on ethical and technical issues is encouraged.

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

The firm has specific procedures in place to identify and deal with potential conflicts of interest. Our client assignment and relationship checks ensure that each potential new assignment will not prejudice the firm's independence, and enable potential conflicts of interest to be identified at the earliest opportunity. For audit and similar engagements where independence is a matter of public interest, our procedures are more stringent:

- Before a new audit engagement is accepted, searches and enquiries including, where relevant, an international relationship check, are carried out to identify any existing business, financial or personal relationships that might pose a threat to the independence of the audit.

- At the beginning of an audit, all members of the engagement team are required to confirm in the audit file that they are free of personal interests and relationships that might impact on their own independence or that of the firm.
- After an audit opinion is issued, and before the continuance of an audit appointment is accepted, the audit partner (director) (and where appointed, the review partner) considers whether any circumstances have arisen that question whether the firm should or can accept reappointment.

Before offering a non-audit service to any audit client of the firm, the relevant audit partner's approval must be obtained. This approval is only given after careful consideration of any possible threats to the firm's independence and, if required, the adequacy of any plan to mitigate such threats.

If potential clients have international operations, an international "relationship check" is performed to identify any relationships of other member firms within Grant Thornton International that may present a conflict of interest and/or a threat to independence. When the prospective client is already an audit client of a member firm within Grant Thornton International, consultation is required with the relevant audit partner to ensure that the proposed non-audit service is permitted and that any threats to independence created by the proposed non-audit service can be adequately safeguarded.

If a potential conflict is identified, appropriate procedures are put in place to protect confidential information and to ensure potential conflicts are, and are seen to be, effectively managed.

Partners, audit directors, and members of their immediate family, are prohibited from having any direct or material indirect financial interest in an audit client or the parent company of any audit client of Grant Thornton (Gibraltar) Limited, or in any publicly traded audit client of a member firm within Grant Thornton International. Full details of the firm's audit clients with publicly-traded securities; and those of other member firms within Grant Thornton International, are maintained on the firm's intranet.

Partners, directors and managers involved in client service are required to record their financial interests (and those of their immediate family members) in the firm's automated tracking system known as the Global Independence System (GIS).

## Human resources

We recognise that our success depends upon developing a sustainable high performance culture, working together, and drawing on each other's skills, knowledge and expertise to deliver high quality services to our clients. Our human resources management process includes the following:

- Job descriptions for each role,
- An induction process on job-related issues as well as culture and values including review of technical and ethics manuals'
- Formal annual appraisals for all members of staff,
- Annual objective setting and personal development plans; and
- Compliance with continuing professional development requirements



## Engagement performance

Grant Thornton International assists all member firms in delivering consistent, robust, rigorous and high quality audits. This is achieved through the provision of a global audit methodology and software; protocols to facilitate consultation with audit specialists in other member firms; a comprehensive intranet service with up-to-date information on relevant professional standards; a worldwide restricted-entity list; an International Financial Reporting Standards help desk; and topical alerts.

Our global methodology, which is used by all member firms within Grant Thornton International, provides audit teams with a clear and direct link between identified financial reporting risks, internal controls that address these risks, and audit procedures.

This approach enables audit teams to judge how the current environment impacts upon an entity's financial reporting, how the entity responded; and how to develop an appropriate audit response. The methodology includes integrated quality control processes including, for example, policies and procedures on an engagement quality control review.

The methodology is applied using the state-of-the-art Voyager software, manuals and policies. These are benchmarked against the International Standards on Auditing, International Standards on Quality Control, and the Code of Ethics for Professional Accountants (the IESBA Code).

The key deliverables of our audit are the formal audit report and the Key Issues Memorandum (KIM).

Our audit reports comply with auditing standards and legislation; and are only signed by the engagement leader after appropriate review of all work done.

The Key Issues Memorandum (KIM) provides clients' governance and management bodies with the main considerations, judgments and results of our audit. The content and format is tailored to a particular client's needs but will include the scope and approach of our audit, an explanation of any ethical or independence matters (together with any safeguards in place), the principal audit judgments and an outline of any control weaknesses identified.

## Monitoring

The quality of the level of the professional work undertaken by the firm is evaluated through the firm's internal quality control review process. Objectivity in the firm's review process is ensured with an arrangement with the Director of audit quality for GTIL member firms in Africa. This individual carries out an annual internal quality control review of Grant Thornton (Gibraltar) Limited.

The firm is also subject to the Grant Thornton International Audit Review (GTAR) programme.

## 5. Monitoring of quality control

The Gibraltar Financial Services Commission, as the appointed Competent Authority for the purposes of the Act, performed a quality assurance review of Grant Thornton (Gibraltar) Limited in April 2019. The next review is expected in 2021.

The most recent GTAR of the firm was carried out in October 2017. The next GTAR review is expected to take place in 2021.



## 6. Public interest entities

The definition of a public interest entity for this purpose is that given under Directive 2006/43/EC, as amended by Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, being:

- a. entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC;
- b. credit institutions as defined in point 1 of Article 3(1) of Directive 2013/36/EU of the European Parliament and of the Council, other than those referred to in Article 2 of that Directive
- c. insurance undertakings within the meaning of Article 2(1) of Directive 91/674/EEC
- d. entities designated by Member States as public interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees

The public interest entity audit client for which Grant Thornton (Gibraltar) Limited has signed an audit opinion during the year ended 30 September 2019 is given below.

1. PTI Insurance Company Limited

## 7. Independence

As stated above the firm adheres to the independence requirements set out in the IFAC Code of Ethics for professional accountants which are the ethical standards that have been adopted by the Gibraltar Society of Accountants (GSA) as being relevant and applicable to Gibraltar audit firms.

Independence practices are subject to a continuous process of internal review as part of the firm's internal quality control review process. Independence processes operated by the firm are set out in Section 4 above under the heading "Acceptance and continuance of client relationships and specific engagements". All these independence processes were operated by the firm during the past financial year.

## 8. Continuing professional education

In addition to developing their broad business insight, all of our people are required to maintain their technical competence and comply with relevant regulatory and professional development requirements. This is reviewed as part of the annual appraisal process, in conjunction with an individual's personal development plan. All audit staff attend regular technical update courses.

## 9. Directors' remuneration

The firm's directors are paid a fixed salary which is reviewed on an annual basis. The profits of the firm included within distributable reserves are periodically distributed to the holders of the preference share capital by way of dividend.

## 10. Financial information

Turnover by income stream	2019 £ '000s	2018 £ '000s
Statutory audit of annual and consolidated financial statements		
<i>Public interest entities and subsidiaries</i>	15	146
<i>Other</i>	416	371
Revenues from permitted non-audit services to audit clients	37	36
Non-audit services to other clients	348	245
<b>Total</b>	<b>817</b>	<b>798</b>



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