

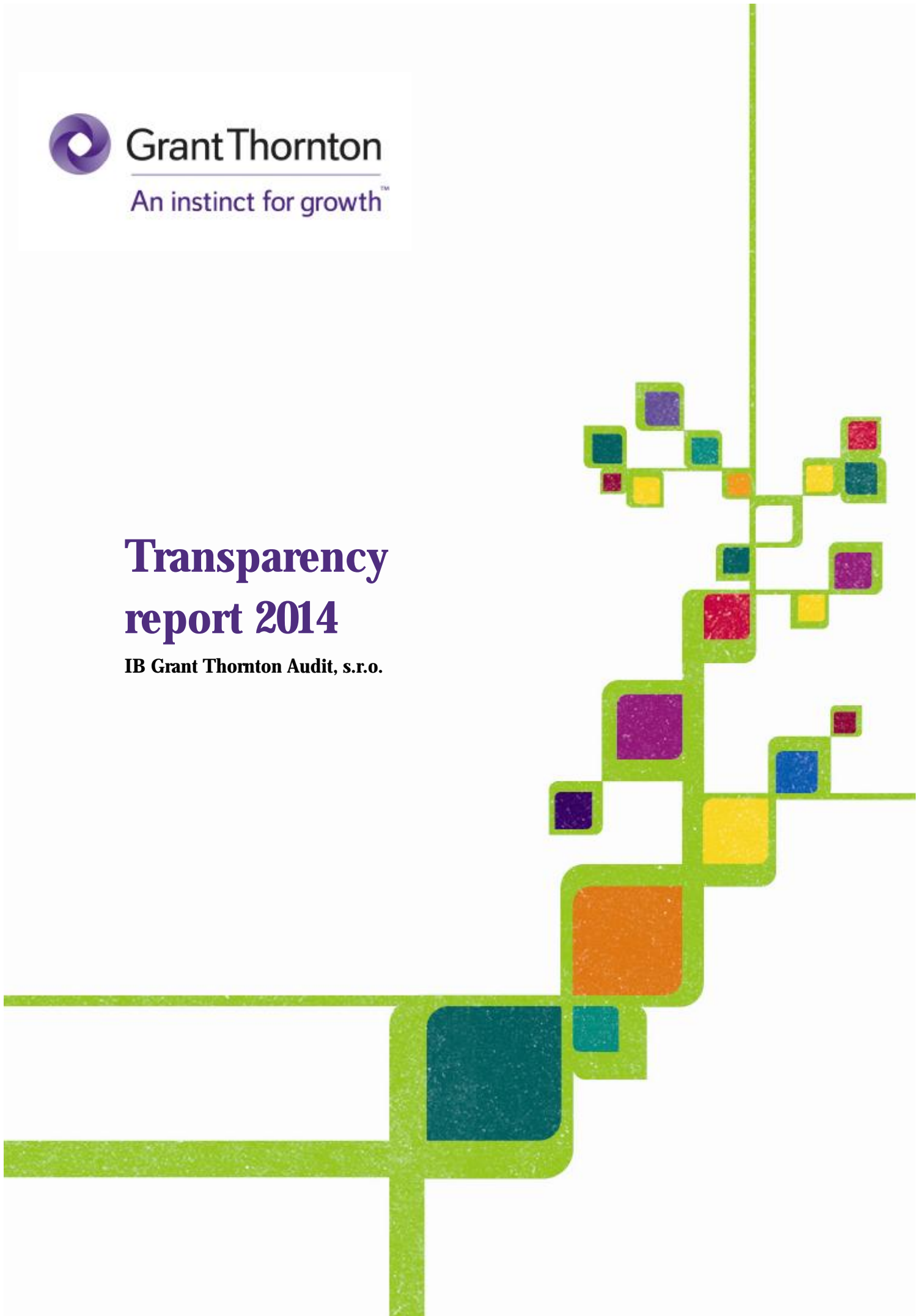


Grant Thornton

An instinct for growth™

# Transparency report 2014

IB Grant Thornton Audit, s.r.o.



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# Transparency Report 2014

This transparency report has been produced to enable our stakeholders - businesses, investors, regulators and communities - to better understand our business. It explains how the firm is run, how we ensure that we perform audits of the highest quality, and describes the expertise, breadth and depth of our firm and of Grant Thornton International. Transparency of audit firms 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.

This transparency report has been prepared under the Directive 2006/43/EC of 17 May 2006 on statutory audits of annual accounts and consolidated accounts ("8 Directive") and the Act 540/2007 on auditors, audit and supervision of auditing, which require that statutory auditors and audit firms of public interest entities, publish on their websites within 3 months on the end of each year the transparency report.

This transparency report is in respect of the year ended 31.12.2014

on behalf of the Managing Partners: Dr. Wilfried Serles and Ing. Martina Runcáková.

Report was approved March 31, 2015

## Foreword from the Managing Partners

The transparency report was prepared in order to comply with the requirement determined by the Directive 2006/43/EC and the §24 of the Act 540/2007 on auditors, audit and supervision of auditing

This report shall give the clear review about:

- Legal structure and ownership
- Grant Thornton International - the network and the legal and structural arrangements of the network
- Governance structure and management
- Quality control systems
- External monitoring
- Client acceptance procedures
- Independence practices
- Continued professional education
- Financial information
- Partner remuneration
- Public interest entities

## Legal structure and ownership

IB Grant Thornton Audit, s.r.o., was established on 14.09.1993.  
Legal form: Limited Liability Company.

### **IB Grant Thornton Audit, s.r.o.**

Križkova 9

Bratislava 811 04

company ID number: 31 359 523

In Commercial register of District Court of Bratislava I: N 5861/B

Audit Licence N 28

tax ID number: 2020301679

company ID VAT number: SK2020301679

### Ownership (100)

IB Interbilanz Holding Wirtschaftsprüfung GmbH

Schönbrunner Straße 222-228

Vienna 1020

Austria



## **Grant Thornton International –the legal and structural arrangements of the network (Description of the network according to §2 (10) of the Act 540/2007)**

IB Grant Thornton Audit, s.r.o. is a member firm of Grant Thornton International Ltd (Grant Thornton International).

company limited by guarantee, not having a share capital, incorporated in England and Wales.

Grant Thornton International 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 2,500 partners provide clients with distinctive, high quality and personalised service in over 100 countries.

Each member firm within Grant Thornton International 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 International 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 many 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 International.

Grant Thornton International Ltd (Grant Thornton International) is a not-for-profit, non-practising, international umbrella membership entity organised as a private

## **Governance structure and management**

IB Grant Thornton Audit, s.r.o. was established by registration in the Commercial Register on September 14, 1993. The company met requirements set in §5 article 1 point b of the Act 540/2007 on auditors, audit and supervision of auditing.

By 2014 the company had 2 managing partners. Dr. Wilfried Serles and Ing. Martina Runčáková.

On behalf of the company, they act and sign alone.

Mrs Runčáková meet requirements set in §5 article 1 and 2 of the Act 540/2007 on auditors, audit and supervision of auditing.

As at December 31, 2014 our Company employed 6 auditors and 7 audit assistants who met the conditions for the activity of audit assistant under the Act on Auditors.

## Quality control systems

Within the framework of the internal quality control system the key audit partner, Dr. Wilfried Serles, is in charge of the audit engagement and is responsible for the total quality of the audit engagement. Is obliged to ensure consistently high quality in all statutory audits which should be therefore carried out on the basis of professional standards, and regulatory and legal requirements, meeting of all company's rules and quality controls procedures and that the auditors' reports issued by the firm or engagement partners are appropriate in the circumstances

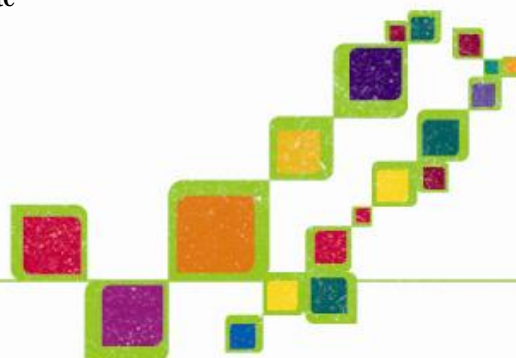
The engagement partner should take responsibility for the overall quality on each audit engagement to which that partner is assigned and should consider whether members of the engagement team have complied with ethical requirements in relation to the integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The engagement partner should form a conclusion on compliance with independence requirements that apply to the audit engagement and should be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and specific audit engagements have been followed, and that conclusions reached in this regard are appropriate and have been documented, should be satisfied that the engagement team collectively has the appropriate capabilities, competence and time to perform the audit engagement in accordance with professional standards and regulatory and legal requirements, and to enable an auditor's report that is appropriate in the circumstances to be issued.

For audits of financial statements of listed entities, the engagement partner should determine that an engagement quality control reviewer has been appointed, discuss significant matters arising during the audit engagement, including those identified during the engagement quality control review, with the engagement quality control reviewer; and not issue the auditor's report until the completion of the engagement quality control review.

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

- International Standard on Quality Control (ISQC) 1:Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
- International Standard on Auditing 220:Quality Control for Audits of Historical Financial Information
- International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants.



Grant Thornton International 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 the International Standards on Auditing, International Standards on Quality Control, 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.

## **Grant Thornton International Audit Review**

Every member firm is obliged to submit to an inspection of its audit practice by Grant Thornton International, referred to as the Grant Thornton International 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 International. The inspection process is designed to monitor member firms' compliance with professional standards and Grant Thornton International's audit quality control policies and procedures.

## **Statement of the managing body on the effectiveness of company's internal quality control system and of its functioning**

The company IB Grant Thornton Audit, s.r.o. established a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and regulatory and legal requirements, and that the auditors' reports issued by the firm or engagement partners are appropriate in the circumstances.

## External monitoring

The last quality assurance – Grant Thornton International Audit Review (GTAR) took place in July 2014.

The last review by SKAU (Slovak Chamber of Auditors) was performed in October 2010, the last review by UDVA (Board of the Auditing Oversight Authority) was performed in November 2010.

## Client acceptance procedures

### Grant Thornton International client acceptance procedures

The executive director - risk and regulatory matters chairs a global client acceptance advisory committee. The client acceptance advisory committee is comprised of the worldwide director - quality control and partners, nominated by their managing partners, selected from a geographically

dispersed set of member firms. The associate general counsel assists with the coordination of the activities of this committee. The committee reviews submissions from member firms for acceptance and re-acceptance of assurance engagements meeting certain risk criteria.

## Independence practices

The company IB Grant Thornton Audit, s.r.o. through its engagement partner forms a conclusion on compliance with independence requirements that apply to the audit engagement, obtains relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence, evaluates information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement, takes appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards. The engagement partner should promptly report to the firm any failure to resolve the matter for appropriate action and document conclusions on independence and any relevant discussions with the firm that support these conclusions.

The company IB Grant Thornton Audit, s.r.o. through its engagement partner forms a conclusion on compliance with independence requirements that apply to the audit engagement, obtains relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence, evaluates information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit

engagement, takes appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards. The engagement partner should promptly report to the firm any failure to resolve the matter for appropriate action and document conclusions on independence and any relevant discussions with the firm that support these conclusions.

In addition to our own independence practices, Grant Thornton International 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 International. Professional personnel in member firms have access to this global restricted list via the Grant Thornton International 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.

Grant Thornton International has also adopted an automated independence tracking system, the Global Independence System

(GIS). Partners and client-facing 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 continue to be held, based upon the facts and circumstances.

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 threats to objectivity. Grant Thornton International has instituted a policy that establishes a standardised approach to conducting these checks for potential relationships where the client or prospective client has international operations.



## Continued professional education

While the majority of technical training takes place within member firms, Grant Thornton International 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.

Our auditors and audit assistants attend annually courses organized by Slovak Chamber of Auditors and also internal seminars concerning Slovak legislation and it's changes (audit, accounting, taxes, commercial code....) We organize also language courses for employees.

## Financial information

Our audit firm performs audit services for companies located in Slovakia, mainly for subsidiaries of foreign entities.

The total revenues earned by the company in the year 2014 consist of the following:

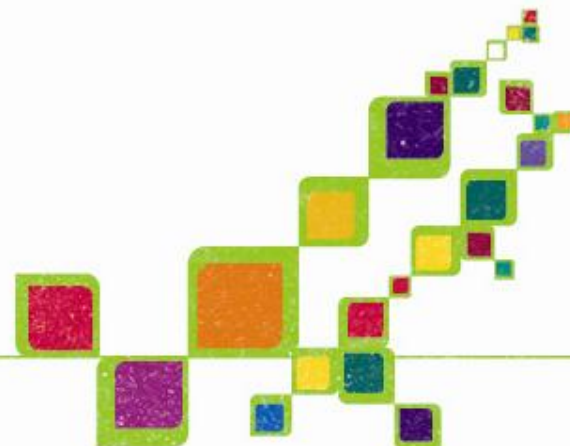
Audit services revenues: 83 %  
Revenues - other services: 17 %

## Partner remuneration

Managing partners are remunerated by fixed salaries.

## Public interest entities

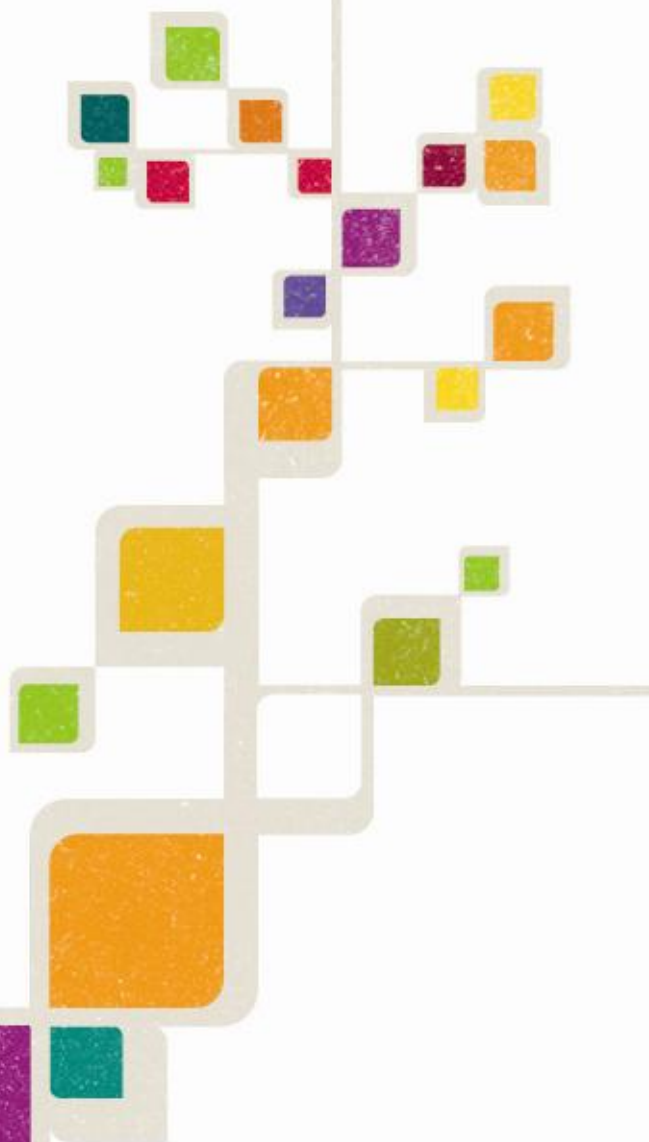
Our company has not carried out as of 31.12.2014 the statutory audit for public interest entity.



## Our offices

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SK- 811 04 Bratislava

Floriánova 2  
SK-080 01 Prešov



**Dr. Wilfried Serles**  
konateľ