



FINANCIAL REPORTING COUNCIL

**CHOICE IN THE UK AUDIT MARKET -
THIRD PROGRESS REPORT**

MAY 2009



Contents

	Page
Executive Summary	1
<hr/>	
One - Introduction and Background	3
<hr/>	
Two - Key Developments	4
<hr/>	
<i>Appendix 1 - Table summarising progress on all MPG recommendations</i>	8
<i>Appendix 2 – Market concentration statistics</i>	21
<hr/>	

Executive Summary

This is the third Progress Report on the implementation of the recommendations of the Market Participants Group (MPG). The MPG published in October 2007 a set of 15 recommendations¹ aimed at increasing choice in the audit market.

The implementation of the MPG's 15 recommendations forms part of the FRC Audit Choice project, which aims to mitigate the risks to confidence in corporate financial reporting caused by the concentration in the audit market for the largest companies.

Developments in the UK

The MPG recommended policies to affect the supply side of the audit market for large firms, in order to make investment by non-“Big Four” audit firms² in perceived and actual capabilities to audit public interest entities more feasible. On the demand side, the MPG recommended that, whilst boards should retain primary responsibility for selecting auditors, the risks for directors of selecting a non-Big-Four firm would need to be reduced, and boards would need to be more accountable to shareholders for their auditor selection decisions if greater choice was to be achieved.

MPG recommendations included actions to foster greater transparency in the market through voluntary disclosure of audit profitability and policies affecting the award of auditing contracts. Other measures were aimed at increasing the involvement of non-“Big Four” auditing firms in the regulatory process, and improving the transfer of information following the transfer of an audit to a successor auditing firm.

It is anticipated that, whilst these actions may have only limited impacts in the short run, they will prove to be important in increasing choice in the audit market in the longer term. However, despite the progress that has been made, the FRC continues to have significant concerns about the risks posed by audit market concentration and believes that these risks are likely to continue for the medium to long term.

Progress achieved since the Second Progress Report in November 2008:

- In March 2009 the Consultative Committee of Accountancy Bodies (CCAB) published a Voluntary Code of Practice on Disclosure of Audit Profitability which applies to accounting periods beginning on or after 6 April 2009 (related to MPG Recommendation 2, “Audit firms should disclose the financial results of their work on statutory audits and directly related services on a comparable basis”).
- In December 2008 the Audit Inspection Unit (AIU) published for the first time inspection reports on individual audit firms (related to MPG Recommendation 5, “The FRC should continue in its efforts to promote understanding of audit quality and should promote greater transparency by the firms and the FRC of the capabilities of individual audit firms”).

¹ See Appendix 1 for details of all 15 MPG recommendations

² The “Big Four” audit firms are: Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers

- In January 2009 the consultation period for the Audit Firm Governance Working Party's initial consultation paper closed. A draft best practice code on the governance of audit firms will be published later this year (related to MPG Recommendation 14, "Every firm that audits public interest entities should comply with the provisions of a Combined Code-style corporate governance guide or give a considered explanation").
- In March 2009 the Auditing Practices Board issued for comment an exposure draft of updated Ethical Standards (related to MPG Recommendation 11, "Authorities with responsibility for ethical standards for auditors should consider whether any rules could have a disproportionately adverse impact on auditor choice when compared to the benefits to auditor objectivity and independence").

Developments in Europe

Key developments at European level since the November report:

- In November the European Commission (EC) launched a consultation on ownership rules affecting audit firms. The consultation period has now closed and the EC will publish the responses in the next few months (related to MPG Recommendation 1, "The FRC should promote wider understanding of the possible effects on audit choice of changes to audit firm ownership rules, subject to there being sufficient safeguards to protect auditor independence and audit quality").

Next steps

The majority of the MPG's recommendations have now been implemented and most of the outstanding recommendations, for example on a governance code for audit firms, will be implemented during the next six months. Further action at an international level is however required in order to implement Recommendation 13, "Regulators should develop protocols for a more consistent response to audit firm issues based on their seriousness." The FRC has initiated a discussion on oversight of the global audit networks with its counterparts in other major jurisdictions. The FRC will give an update on this in the next Progress Report, which is expected to be published in the autumn of 2009.

The FRC will continue to review and monitor the progress and impact of the measures that have already been put in place. In 2010 the FRC will assess the overall effectiveness of the implemented MPG recommendations and consider the need for additional action.

One Introduction and Background

This document is the third Progress Report on the implementation of the recommendations of the Market Participants Group (MPG).

The FRC established the MPG, which consisted of investors, companies and audit firms, to provide advice on actions that market participants could take to mitigate the risks arising from concentration in the market. In October 2007, the MPG published 15 recommendations intended to allow the audit market to work more efficiently and, in the medium-to-long-term, to have a positive impact on audit choice in the UK. The FRC committed to report every six months on progress in implementing these recommendations; previous progress reports were published in May and November 2008.

This document includes:

- a review of developments subsequent to the second Progress Report;
- an update on the implementation of the MPG's recommendations; and
- a summary of current and previous market concentration statistics.

Two Key Developments

Introduction

This section includes a review of relevant developments in the UK and Europe.

Developments in the UK

Disclosure of Audit Profitability

Recommendation 2 in the MPG Report stated that “audit firms should disclose the financial results of their work on statutory audits and directly related services on a comparable basis”.

Following the publication of the MPG Report the FRC invited the Consultative Committee of Accountancy Bodies (CCAB) to produce voluntary guidance on this subject. The CCAB published an exposure draft in September 2008, and in March 2009 issued the Voluntary Code of Practice on Disclosure of Audit Profitability. Major audit firms - which are defined according to the criteria laid down by the Professional Oversight Board - are encouraged to apply the Code to accounting periods beginning on or after 6 April 2009.

The Code defines the reportable audit segment so as to include all fees for any statutory audit (ie not just companies) plus fees in respect of work that ‘fits naturally’ with the auditor’s statutory responsibilities - that is, work either required to be, or in practice tending to be, carried out by the auditor. Examples include preliminary announcements and regulatory reporting.

The Code also requires that overheads, as measured and recognised in the firm’s financial statements, should be allocated to the reportable segment. The impact of material non-recurring income and costs should also be disclosed, in order to highlight their effect on profitability.

Disclosure is allowed in either the firm’s Transparency Report or its Annual Report.

Draft Audit Firm Governance Code

Recommendation 14 in the MPG Report stated that “Every firm that audits public interest entities should comply with the provisions of a Combined Code-style best practice governance guide or give a considered explanation”. In response to this, in 2007 the ICAEW set up a working group to develop such a governance code.

This group issued an evidence gathering first consultation paper at the end of October 2008, with a deadline for responses of 31 January 2009. The working group is considering the responses it has received and a draft governance code is expected to be published in the summer.

AIU Inspection Reports

Recommendation 5 in the MPG Report stated that “The FRC should continue its efforts to promote understanding of audit quality and should promote greater transparency by the firm and the FRC of the capabilities of individual audit firms”.

Since 2006 the FRC has seen increased interest in the contents of reports prepared by the Audit Inspection Unit (AIU). In particular, there has been demand from a number of stakeholders for the AIU’s inspection reports on individual audit firms to be made public. In view of this demand, and in keeping with Recommendation 5, in December 2008 the AIU published for the first time public reports on all individual audit firms which had been subject to a full scope review in 2007/8.

In addition, since January 2008 the AIU has issued reports on individual audits reviewed to the relevant audit firms with a view to them being made available by the firms to the directors of the audit client concerned.

Ethical Standards

Recommendation 11 in the MPG Report stated that “authorities with responsibility for ethical standards for auditors should consider whether any rules could have a disproportionately adverse impact on auditor choice when compared to the benefits to auditor objectivity and independence”. While not directly in response to the MPG recommendations, in April 2008 the Auditing Practices Board (APB) published revisions to the Ethical Standards.

In March 2009 the APB began consultation on further, limited, changes to the Ethical Standards. The APB is seeking views, amongst other things, on whether it would be appropriate to permit in certain circumstances, and with the prior approval of the audit committee and disclosure to shareholders, the rotation period of the audit engagement partner on listed company audits to be extended from five to seven years. Some respondents to the MPG’s consultation on its draft recommendations considered that greater flexibility on rotation periods would potentially increase the capability of non-Big Four firms to audit larger public interest entities.

Consultation on the exposure draft closes on 15 June 2009. It is proposed that any changes to the standards will apply to audits of financial statements for accounting periods beginning on or after 15 December 2009.

Review of Audit Committee Reports

The FRC issued the Audit Quality Framework in February 2008 and amended its Guidance to Audit Committees (formerly known as the Smith Guidance) in October 2008. The Framework was a further initiative aimed at implementing Recommendation 5 and was designed, amongst other things, to support effective communication between auditors, audit committees, investors and other stakeholders on audit quality. The amendments to the FRC Guidance to Audit Committees were intended to assist with the implementation of a number of other of the MPG Recommendations.

The FRC carried out an initial review of a sample of 81 Annual Reports for the year ended 31 December

2008 to assess the extent to which companies had begun to implement both the Framework and the revised Guidance. The results are summarised below, but in overall terms there is little evidence as yet of their use by Audit Committees. None of the companies concerned made reference to the Framework and only a minority mentioned the FRC Guidance to Audit Committees.

Audit Quality Framework		Guidance to Audit Committees	
<i>Number of companies:</i>		<i>Number of companies:</i>	
Detailing Audit Committee responsibilities	51	With procedures for assessing independence of auditors	48
Confirming independence of external auditors	42	Mentioning Smith Guidance/Combined Code	16
Detailing how Audit Committee's responsibilities are discharged	39	Providing information on frequency of audit tenders, tenure of incumbent and/or any contractual restrictions on choice of auditor	5
Confirming appointment, re-appointment or removal of auditor	34	Referring to the work of the AIU	1
With separate Audit Committee Report	29	Stating factors to be considered when appointing audit firms from more than one network	0
Mentioning Audit Quality Framework	0	Considering risk of auditor leaving market	0

Although Boards do not have an obligation to follow the Guidance, both it and the Framework are intended to assist companies to comply with the relevant provisions of the Combined Code and to assess the effectiveness of their external auditors.

Transparency reports

In accordance with the Statutory Audit Directive, audit firms with public interest audit clients are required to publish transparency reports in respect of financial years beginning on or after 6 April 2008. Ahead of this, the six largest UK audit firms³ have published, on a voluntary basis, transparency reports for 2007/8. The Professional Oversight Board has carried out a review of these and will shortly publish further guidance on good practice.

Changes in market concentration

Non- Big Four firms continue to increase their market share in respect of the audit of public interest entities (PIEs). Appendix 2 provides a detailed comparison of the current position with that of previous years. It is noteworthy that non-Big Four firms have increased their market share of FTSE 250 audits from 4% in February 2008 to 6.5% in February 2009. However, at the current pace of change it would take many years for a mid-tier firm to grow a similar market share to a level comparable with even the smallest of the Big Four.

It is difficult to obtain precise figures on the number of audits put out to tender. Firms do not always keep complete records of tenders which they are involved with and are sometimes reluctant to disclose information which may be seen as commercially sensitive. However, a review of recent audit tenders

³ The "Big Four", together with BDO Stoy Hayward and Grant Thornton

which resulted in a change of auditor indicates little evidence that FTSE 350 companies are leaving Big Four auditors in favour of other firms. This suggests that the slightly increased representation of non-Big Four firms in this area is due to smaller listed companies retaining their existing auditors on joining the FTSE 350.

Developments at European level

European Commission consultation on ownership rules

As referenced in the Second Progress Report, in November 2008 the European Commission (EC) launched a consultation on ownership and control structures within audit firms and the effect of such structures on the audit market and choice within it. Currently, the Statutory Audit Directive mandates that an audit firm must be owned and controlled by a majority of audit-qualified individuals. MPG Recommendation 1 stated that “The FRC should promote wider understanding of the possible effects on audit choice of changes to audit firm ownership rules, subject to there being sufficient safeguards to protect auditor independence and audit quality”.

The consultation follows a report by Oxera⁴ on the subject for the EC and asks for feedback on whether alternative ownership arrangements, giving easier access to equity and/or debt financing, could be implemented without sacrificing audit quality or independence. The consultation closed on 28 February 2009 and a report summarising the responses is expected to be published in the next few months.

⁴ http://ec.europa.eu/internal_market/auditing/docs/market/oxera_report_en.pdf

Appendix 1 Progress on MPG Recommendations

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>1. The FRC should promote wider understanding of the possible effects on audit choice of changes to audit firm ownership rules, subject to there being sufficient safeguards to protect auditor independence and audit quality.</p>	<p>FRC to prepare and consult on a discussion paper on the possible effects on audit choice of changes to audit firm ownership rules.</p> <p>FRC to use discussion paper to influence legislative change in the EU and US.</p> <p>European Commission to launch consultation on changes to ownership restrictions.</p>	<p>Completed in Q2 2008 in first Progress Report.</p> <p>Ongoing</p> <p>European Commission consultation closed on 28 February 2009. FRC submitted response supporting changes subject to certain safeguards.</p>	<p>EC to publish consultation responses in Q3 2009</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>2. Audit firms should disclose the financial results of their work on statutory audits and directly related services on a comparable basis.</p>	<p>Guidance for the Voluntary Disclosure of financial results to be prepared.</p> <p>Firms to start reporting on a voluntary basis.</p>	<p>CCAB Guidance issued on 27 March 2009 following earlier consultation.</p> <p>Voluntary adoption by major firms for accounting periods from 6 April 2009</p>	<p>FRC to monitor extent to which firms choose to disclose this information during 2010-11</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>3. In developing and implementing policy in auditor liability arrangements, regulators and legislators should seek to promote audit choice, subject to the overriding need to protect audit quality.</p>	<p>FRC to send recommendation to the working group preparing Guidance on auditor limitation agreements, the European Commission, the US Treasury and relevant authorities.</p> <p>Further consideration of policy in the EU and US.</p>	<p>Under Sections 534 to 538 of the Companies Act 2006, which came into force on 6 April 2008, auditors are able to negotiate with clients to limit liability by contract to an amount that is “fair and reasonable in all circumstances.”</p> <p>The FRC established an independent working group to produce Guidance to directors on the use of agreements to limit the liability of auditors of companies. The final Guidance was published in June 2008.</p> <p>In June 2008, the European Commission issued a Recommendation to Member States asking them to limit auditor liability.</p> <p>BERR/FRC has been in contact with the SEC on implications of SEC independence rules on ability of UK SEC registrants to enter into agreements.</p>	<p>FRC to monitor take-up of agreements and developments in the EU</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>4. Regulatory organisations should encourage participation on standard setting bodies and committees by appropriate individuals from different sizes of audit firms.</p>	<p>FRC to review policies on membership of their boards and committees.</p> <p>FRC to send recommendation to International Auditing and Assurance Standards Board, and member bodies of the Consultative Committee of Accountancy Bodies.</p>	<p>The new FRC Board that came into being on 1 November 2007 has undertaken to comply with the relevant principles and provisions of the Combined Code.</p> <p>In its call for nominations for IFAC Boards and Committees, issued in February 2009, the International Federation of Accountants has included tables setting out the professional diversity of each of its Boards and Committees, including the IAASB. Nominating organisations are encouraged to consider how their candidates would strengthen the professional diversity of the relevant Board or Committee.</p>	<p>Non-Big Four firms to put forward candidates for standard-setting bodies and committees.</p> <p>FRC to monitor levels of non-Big Four representation on regulatory and professional bodies</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>5. The FRC should continue in its efforts to promote understanding of audit quality and should promote greater transparency by the firms and the FRC of the capabilities of individual audit firms.</p>	<p>The FRC to finalise its paper setting out the drivers of audit quality.</p> <p>Firms report publicly on their capabilities in line with the drivers of audit quality.</p> <p>The Audit Inspection Unit will monitor and report publicly on firms' capabilities in line with the drivers of audit quality.</p>	<p>The FRC published the Audit Quality Framework in February 2008.</p> <p>The FRC has reviewed a selection of audit committee reports to see to what extent they reflect the framework</p> <p>In April 2008 the POB published regulations requiring auditors of public interest entities to publish annual transparency reports and setting the minimum requirements such reports must meet.</p> <p>The POB encourages firms to differentiate themselves, for example by reference to the Audit Quality Framework.</p> <p>The POB has reviewed the transparency reports of the largest six firms.</p> <p>In December 2008 the AIU published for the first time reports on the results of inspections of individual audit firms</p>	<p>The FRC plans to update the Framework in 2010</p> <p>POB will publish the results of its review on the FRC website</p> <p>AIU to continue to publish public reports</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>6. The auditing profession should establish mechanisms to improve access by the incoming auditor to information relevant to the audit held by the outgoing auditor.</p>	<p>The Joint Audit Committee (JAC) of the Institute of Chartered Accountants in England & Wales (ICAEW), Institute of Chartered Accountants of Scotland (ICAS) and the Institute of Chartered Accountants in Ireland (ICAI) to develop Guidance for their members to allow successor auditors access to all relevant information held by their predecessor in respect of the last audit report signed by the predecessor.</p>	<p>New audit regulations and Guidance have been published by the Joint Audit Committee of the ICAEW, ICAI and ICAS for mechanisms to allow access by the incoming auditor to working papers of the predecessor auditor.</p>	<p>Firms to follow new arrangements.</p> <p>AIU to consider effectiveness of arrangements in 2010-11.</p>
<p>7. The FRC should provide independent Guidance to Audit Committees and other market participants on considerations relevant to use of firms from more than one audit network.</p>	<p>FRC to prepare independent Guidance to Audit Committees in draft.</p> <p>FRC to publish and distribute final version of the Guidance.</p>	<p>Final version is attached in Appendix to the FRC Guidance to Audit Committees – published October 2008.</p>	<p>FRC to review and monitor in 2010-11 the extent to which market participants use firms from more than one network.</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>8. The FRC should amend the section of the FRC Guidance to Audit Committees dealing with communications with shareholders to include a requirement for the provision of information relevant to the auditor re-selection process.</p>	<p>The FRC will prepare revised Guidance to Audit Committees.</p>	<p>Revised FRC Guidance to Audit Committees published in October 2008.</p> <p>Disclosure recommendations in the guidance apply for financial years beginning on or after 29 June 2008.</p>	<p>FRC to review use of revised guidance in 2010.</p>
<p>9. When explaining auditor selection decision, Boards should disclose any contractual obligations to appoint certain types of auditing firms</p>	<p>Included in the FRC Guidance to Audit Committees.</p>	<p>Revised FRC Guidance to Audit Committees published in October 2008.</p> <p>Disclosure recommendations in the guidance apply for financial years beginning on or after 29 June 2008.</p>	<p>FRC to review use of revised guidance in 2010.</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>10. Investor groups, corporate representatives, firms and the FRC should promote good practices for shareholder engagement on auditor appointment and re-appointments.</p>	<p>Investor groups consider information published by companies through recommendation 8 and firms through recommendations 2, 5 and 14.</p> <p>Investor groups consider need for any revision to existing Guidance on shareholder engagement on auditor selection in light of availability of improved information described above.</p>	<p>The National Association of Pension Funds (NAPF) published Corporate Governance Policy and Voting Guidelines November 2007. The Guidelines encourage companies to consider submitting the audit function to periodic tender and disclose their policy on this matter, including when the audit was last subject to tender.</p> <p>The Guidelines also encourage improved disclosure on the auditor re-selection decision and disclosure of any contractual obligations to appoint audit firms.</p>	<p>FRC to monitor levels of disclosure and also number of audit tenders by listed companies resulting in a change of auditor</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>11. Authorities with responsibility for ethical standards for auditors should consider whether any rules could have a disproportionately adverse impact on auditor choice when compared to the benefits to auditor objectivity and independence.</p>	<p>The Auditing Practices Board (APB) is reviewing the ethical standards. Whilst the focus is on achieving high standards of auditing, the APB will consider the proportionality of standards. In doing so it will have regard to the views raised in this debate on particular ethical standards.</p> <p>FRC to send recommendation to the International Ethics Standards Board for Accountants and SEC.</p>	<p>APB published revisions to the ethical standards in April 2008. Further consultation on a small number of issues – including the rotation period for audit engagement partners – began in March 2009.</p> <p>Report sent.</p>	<p>APB to review consultation responses and make a decision on whether any further revisions are required. Consultation closes on 15 June 2009. Any changes to the standards will apply to audits of financial statements for periods beginning on or after 15 December 2009.</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
12. The FRC should review the Independence section of the FRC Guidance on Audit Committees to ensure that it is consistent with the relevant ethical standards for auditors.	The FRC to prepare revised Guidance on Audit Committees.	Revised FRC Guidance on Audit Committees published in October 2008.	FRC to review use of revised guidance in 2010.

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>13. Regulators should develop protocols for a more consistent response to audit firm issues based on their seriousness.</p>	<p>FRC and its operating bodies to review policies on regulatory penalties and publish for discussion outline details of any proposed changes.</p> <p>The FRC will also raise the matter with its regulatory counterparts in other major jurisdictions.</p> <p>FRC to contribute to the work of the International Forum of Independence Audit Regulators (IFIAR) and the European Group of Auditors' Oversight Bodies (EAOB) and promote effective co-operation between national audit regulatory authorities, in particular gaining an enhanced understanding of the audit networks and consider the implication for audit quality.</p>	<p>The FRC has initiated discussion on these issues with its international counterparts.</p> <p>The FRC has initiated a discussion on oversight of the global audit networks with its counterparts in other major jurisdictions.</p>	<p>FRC to continue discussions with counterparts in other jurisdictions.</p> <p>Discussions to continue with a view to formulating a co-ordinated approach.</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
<p>14. Every firm that audits public interest entities should comply with the provisions of a Combined Code-style corporate governance guide or give a considered explanation.</p>	<p>The ICAEW to form a working group to develop a Combined Code-style best practice corporate governance guide for auditors of public interest entities.</p>	<p>The ICAEW has established a working group chaired by Norman Murray, Chairman of Cairn Energy, to develop a code of best practice governance for accountancy firms that audit public interest entities.</p> <p>First consultation (on issues to be addressed) closed 31 January 2009.</p>	<p>ICAEW to publish draft code for consultation in Q3 2009.</p>

MPG recommendation	Implementation arrangement	Implementation progress	Next steps
15. Major public interest entities (PIEs) should consider the need to include the risk of the withdrawal of their auditor from the market in their risk evaluation and planning.	The FRC will prepare revised Guidance On Audit Committees.	Revised FRC Guidance On Audit Committees published in October 2008.	FRC to review use of revised guidance in 2010. PIEs to consider contingency arrangements.

Appendix 2 – Market concentration statistics

AUDITOR	FTSE 100			FTSE 250			FTSE SMALL CAP / FLEDGLING			AIM		
	FEB 09	FEB 08	NOV 06	FEB 09	FEB 08	NOV 06	FEB 09	FEB 08	NOV 06	FEB 09	FEB 08	NOV 06
NUMBER OF COMPANIES	100	100	100	250	250	250	438	522	542	1270	1390	1132
	%	%	%	%	%	%	%	%	%	%	%	%
PRICEWATERHOUSECOOPERS	40	39	42	25.7	29	31.2	22.4	22.2	23.1	11.2	11.1	9.8
KPMG	22	23	22	23.3	19.6	22.7	19.6	19.9	19.7	14.9	13.4	13.3
DELOITTE	24	21	18	24.9	29	24.3	18.9	17.3	18.1	10.0	9.9	9.6
ERNST & YOUNG	13	16	17	19.6	18.4	18.6	19.2	21.3	19.9	8.3	9.1	7.2
BDO STOY HAYWARD	1	0	0	2.4	2.0	2.0	3.4	2.9	3.3	10.7	10.5	11.8
GRANT THORNTON ⁵	0	0	0	2.9	2.0	0.4	9.4	8.2	2.6	16.5	16	13.8
PKF	0	0	0	0.4	0	0	1.1	1.7	1.3	4.4	3.7	4.1
BAKER TILLY	0	0	0	0.4	0	0	1.1	1.1	2.2	7.1	7.9	8.7
OTHERS	0	0	0	0.4	0	0.8	4.9	5.4	9.8	17.1	18.4	21.7
NON BIG FOUR SHARE	1%	0%	0%	6.5%	4%	3.2%	19.9%	19.3%	19.2%	55.7%	56.5%	60.1%

Based on Hemscott Corporate Advisers Rankings Guide with the agreement of Hemscott, a Morningstar company. The 2009 FTSE 250 figures exclude five companies which had not confirmed their auditors at the time that February 2009 version of the Guide was being prepared; similarly, one company in the FTSE 100 had not confirmed its auditor in time for the February 2008 guide. Figures for FTSE 100, FTSE 250 and FTSE Small Cap / Fledgling include UK, Gibraltar and Channel Island domiciled companies. Figures for AIM include UK domiciled companies. Table shows percentages except where otherwise stated.

⁵ Grant Thornton merged with Robson Rhodes on 1 July 2007. November 2006 figures show Robson Rhodes clients under “Others”



FINANCIAL REPORTING COUNCIL

5TH FLOOR

ALDWYCH HOUSE

71-91 ALDWYCH

LONDON WC2B 4HN

TEL: +44 (0)20 7492 2300

FAX: +44 (0)20 7492 2301

WEBSITE: www.frc.org.uk

© The Financial Reporting Council Limited 2009

The Financial Reporting Council Limited is a company limited by guarantee. Registered in England number 2486368.
Registered Office: 5th Floor, Aldwych House, 71-91 Aldwych, London WC2B 4HN.