

# Annual Statement 2004



BDO International

BDO International is a world wide network of public accounting firms, called BDO Member Firms, serving international clients. Each BDO Member Firm is an independent legal entity in its own country. Nothing in the arrangements or rules of BDO International shall constitute or imply a partnership between BDO Member Firms.

The network is coordinated by BDO Global Coordination B.V., incorporated in the Netherlands, with an office in Brussels, Belgium, where the Global Coordination Office is located.

BDO and BDO International are trademarks of Stichting BDO.

BDO is the brand name for the BDO International network, and all the BDO Member Firms.

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## Letter from the Chairman

It is my good fortune to take over the Chairmanship of the BDO Policy Board at a time when our international network is stronger than ever.

The current economic and regulatory environment favours all the major accounting organisations. BDO International benefits in addition from its unique market position, and together these factors have driven our growth and will create opportunities in the future.

At a time when the largest accounting networks are struggling with their own bureaucracies and lack the capacity to handle the regulatory requirements of their major clients, being the world's fifth-largest accounting organisation clearly places BDO International in a strong position.

However, our real strength stems from the fact that we are distinctively different from the larger global firms. Our straight-talking attitude and our innovative approach influences everything we do and offers businesses a real choice: an organisation that is without equal in an otherwise homogenous marketplace.

With 621 offices in 105 countries, BDO International has the strength and global reach to service large multinational companies, but at the same time our Member Firms have retained their local identities and commitment to both clients and employees.

It is not surprising therefore that 2004 was another excellent year for BDO International. Fee income grew by 13 per cent to more than US\$3 billion, and 50 new offices were added to the network.

There are strong opportunities for further growth, both through winning more international assurance clients and through specialist work from non-assurance clients, particularly those subject to the restrictions of the Sarbanes Oxley Act. Effective risk management thus remains even more necessary.

Our challenge now is to partner each other, and our clients, to the best of our ability. This will further strengthen the network, and ensure that BDO International continues to attract the high calibre of partners and staff required to take advantage of its market position.

Dermot Mathias  
Policy Board Chairman

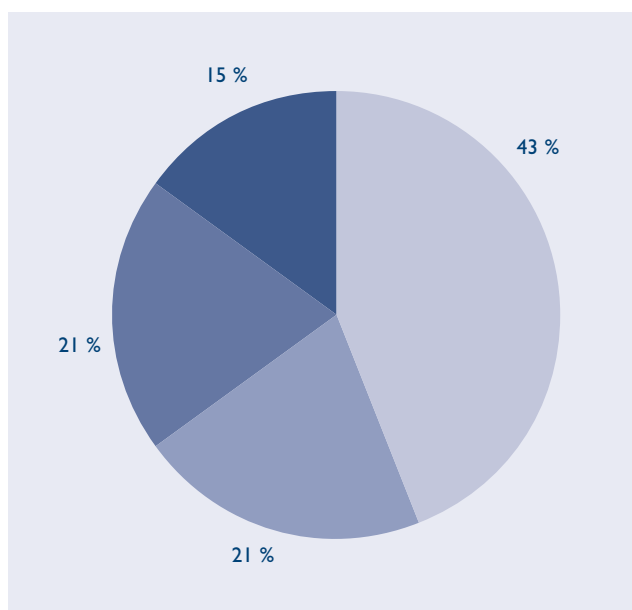
# Statistical information 2004\*

	2004	2003
Aggregate fee income:	€ 2,447 million♦	€ 2,301 million
Number of countries:	105	99
Number of offices:	621	573
Partners:	2,202	2,142
Professional staff:	18,297	16,528
Administrative staff:	4,619	4,556
TOTAL staff:	25,118	23,226

♦US\$ 3,017.5 million

## Fee split by discipline

Audit:	43 %
Accounting:	15 %
Tax:	21 %
Other:	21 %



## Regional data

Region	Revenue %	Countries	Offices	Staff
Europe	47.1	45	296	12,587
North America	43.2	7	152	4,005
Rest of world	9.7	53	173	8,526

\* Combined from BDO Member Firms. Fee income also includes that from the exclusive members of their alliances.

# A bright future

BDO International is a world wide network of public accounting firms, called Member Firms, each of which shares the BDO brand. The brand lends credibility and an international dimension to the reputation and image of all BDO Member Firms, and also gives incremental advantage to international referrals between BDO Member Firms.

## A global brand

The strength of the BDO brand gives BDO Member Firms now, in 2005, the opportunity to reap great benefits from the global network, to get the very best from the knowledge and expertise held within it, and to maximise its international status. This situation is driven by a number of factors.

Market expectations have evolved. It is increasingly clear that BDO is a client's first-choice international accountancy partner when the network can demonstrate not only a global presence, but also a coherent global image and reputation.

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When it is evident that the industry expertise of BDO Member Firms is at an international, as well as a local level, and that service delivery world wide is consistent, BDO is the obvious and only choice.

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There have been significant alterations in the regulatory environment in which BDO Member Firms, and all service industries, operate.

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The growth potential engendered by, for example, the Sarbanes Oxley Act has given new opportunities to BDO Member Firms which they must be seen to be qualified for.

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Despite fewer high-profile scandals in the industry in the last year, effective risk management remains essential in order to protect the professional reputation and integrity of BDO Member Firms, and safeguard against litigation

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People are amongst the most important factors in the growth of any organisation, and recruitment and retention of the very best people is a fundamental strategic objective.

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The BDO brand helps to attract and retain high calibre personnel, who in turn are given the opportunity to grow.

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## A reputation

In common with all successful businesses, BDO International's objective is to continue to grow and be ever more competitive, and BDO Member Firms are determined to achieve this through an enduring global reputation.

BDO International has a powerful and incisive global strategy to assist BDO Member Firms in maintaining their competitive advantage.

BDO International has a unique position in the accountancy marketplace, having global resources and strengths, while maintaining the closeness and proximity of smaller, local firms.

This standpoint is already reflected in the dual naming structure, whereby every BDO Member Firm combines the BDO acronym with the name of the national firm, to form one solid brand. This demonstrates both their local and international capabilities: the best of both worlds, maximising all that is good from each end of the market spectrum.

It is by working closely together as an international organisation that BDO Member Firms are able to deliver coherently and consistently to the market. This strategy capitalises on the strength of the BDO network, as well as on BDO Member Firms' natural affinity and reputation for partnering – not only their clients, but each other.



## The result

BDO International has developed into a cohesive global network, based on a positive attitude, and with every BDO Member Firm delivering services that are without equal.

BDO International's partners and staff are passionate advocates of the BDO brand, and the future of the network looks very bright indeed.

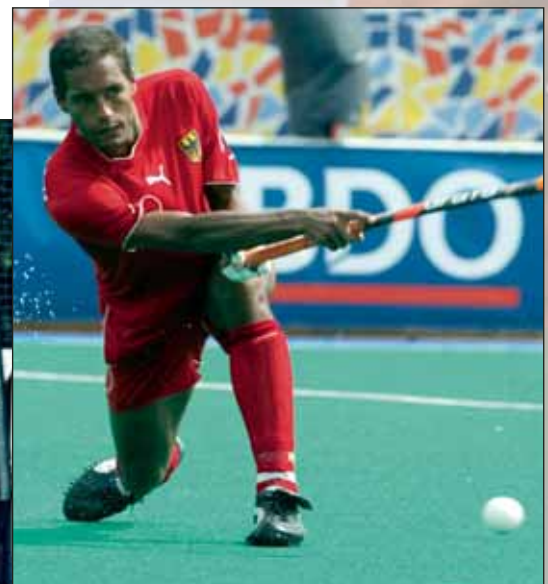
## The expression

The visibility of the BDO brand has been given an extra boost in the last two years by BDO International's sponsorship of the International Hockey Federation (FIH) / WorldHockey.

BDO International's global presence and structure make it a natural partner for WorldHockey. The two organisations have much in common, and many shared values: both share a keen sense of professionalism and fair play, and each is continually developing to secure the future of their members. As WorldHockey is closely involved with hockey associations world wide, as well as individual players, so BDO is represented at both global and national levels.

As a WorldHockey Global Hockey Partner, BDO International is sponsoring high profile international hockey events over a period of 4 years - and this is just one area where BDO Member Firms show their support at a local level, under the auspices of an international initiative. Both national firms and the global organisation have benefited significantly from the exposure gained from the commensurate branding opportunities.

And away from the hockey pitch, BDO Member Firms are realising the mutual benefits to be gained from establishing a liaison between WorldHockey and BDO at a local level. Beneficial relationships have been established in many countries between BDO Member Firms and their national hockey associations.



# BDO International

There are BDO Member Firms in each of the following countries (this list is current as of **1 January 2005**):

Algeria	Hungary	Peru
Angola	India	Philippines
Argentina	Indonesia	Poland
Australia	Ireland	Portugal
Austria	Isle of Man	Qatar
Bahamas	Israel	Reunion Island
Bahrain	Italy	Romania
Belgium	Jamaica	Russia
Bolivia	Japan	Saudi Arabia
Botswana	Jersey	Senegal
Brazil	Jordan	Serbia-Montenegro
British Virgin Islands	Kazakhstan	Seychelles
Bulgaria	Korea	Singapore
Canada	Kuwait	Slovak Republic
Cape Verde	Latvia	Slovenia
Cayman Islands	Lebanon	South Africa
Chile	Liechtenstein	Spain
China	Lithuania	Sri Lanka
Colombia	Luxembourg	Sweden
Comoros	Madagascar	Switzerland
Czech Republic	Malaysia	Taiwan
Denmark	Malta	Thailand
Dominican Republic	Mauritius	Tunisia
Ecuador	Mexico	Turkey
Egypt	Morocco	Turkmenistan
Estonia	Mozambique	Ukraine
Fiji	Namibia	United Arab Emirates
Finland	Netherlands	United Kingdom
France	Netherlands Antilles	United States of America
Germany	New Zealand	Uruguay
Gibraltar	Nigeria	Vanuatu
Greece	Norway	Venezuela
Guatemala	Oman	Vietnam
Guernsey	Pakistan	Zambia
Hong Kong	Paraguay	Zimbabwe

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