

Your partner in understanding the business implications of **IFRS**

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The growing need for IFRS expertise

Over 100 countries now use International Financial Reporting Standards (IFRS), a number that is set to rise to around 150 countries over the next five years. A thorough knowledge of IFRS is therefore now essential for internationally active growing businesses.

International expansion plans may lead to cross-border acquisitions or joint ventures abroad. They may also involve raising international debt finance, developing relationships with private equity houses or raising capital from the equity markets, whether in their home country or abroad. Such transactions are increasingly likely to call for a detailed understanding of IFRS.

IFRS Centre of Excellence

To help meet the IFRS needs of clients, RSM International has established the RSM IFRS Centre of Excellence and its member firms have developed a range of IFRS services available to clients in all the main regions of the world.

At the heart of the RSM IFRS Centre of Excellence are IFRS Champions drawn from member firms around the globe. They meet to discuss leading-edge developments on IFRS and to share experiences arising from their IFRS work. This close working relationship facilitates speedy communication on cross-border IFRS assignments.

The IFRS Centre of Excellence is led by an executive committee which is responsible for developing and recommending service line delivery and procedures that respond to the needs of our members' clients.

We share your values

The member firms in the RSM International network are widely recognised as providers of choice for internationally active growing companies. Our member firms have earned this position by meeting – and exceeding – expectations when they work with clients.

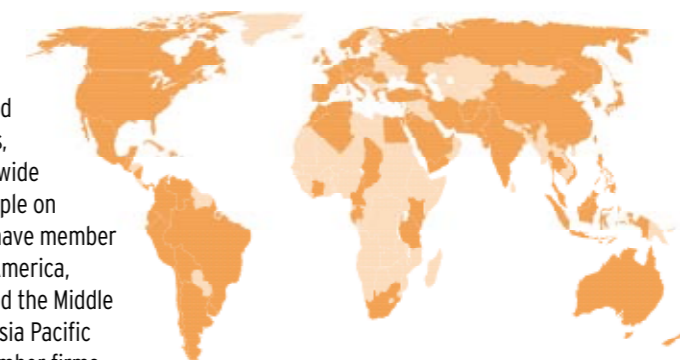
RSM member firms have strong roots in, and deep knowledge of, their local markets but are also outward-looking with the ability to help businesses maximise opportunities in fast-growing international markets while successfully managing the risks of international expansion. As companies grow internationally, they need to have advisors that are committed to working closely with them, can respond promptly and can provide tailored solutions that address unique needs.

About RSM International

RSM International is a global network of independently owned and managed professional service firms, united by a common desire to provide the highest quality of services to their clients. We exist to make a positive difference to their futures. High standards, common work ethic and clear focus make our members valuable partners for a varied client base worldwide.

Global presence

RSM International spans the globe, with more than 730 member and correspondent firm offices, in over 70 countries worldwide and more than 30,000 people on hand to serve clients. We have member firms in North and South America, across Europe, in Africa and the Middle East and throughout the Asia Pacific region. For a full list of member firms please visit www.rsmi.com



RSM coverage shown in bold

IFRS services

RSM member firms offer a wide range of IFRS services with the benefit of practical experience accumulated from working with clients on IFRS issues over a number of years. In addition to accounting experts, our member firms' teams include business valuers, corporate financiers and those with industry-specific knowledge, including the financial services sector, to help meet all your IFRS needs.



IFRS conversion services

The conversion from national GAAP to IFRS is much more than just an accounting exercise. It is a complex project that involves the whole of the organisation in different ways. Consequently, project management skills are vital in order to complete the project successfully.

RSM International professionals can help in designing a tailor-made conversion project. Managing it from the planning phase through to assistance on its full implementation and continuing to be involved until the post-implementation review is complete.

RSM member firms use comprehensive conversion methodologies that cover readiness assessment, a preliminary study, preparation of reporting manuals, assistance with changes to reporting systems, training activities, the provision of updates and advice on communicating the impact of the switch to IFRS to the capital markets.

Due diligence in an IFRS environment

Making an acquisition usually represents a crucial step in the life of an organisation. RSM member firms' transaction support experts can help clients to take account of all the IFRS requirements relating to business combinations and provide a meaningful insight to the post-combination impact under IFRS, from both an accounting and a broader business perspective.

Valuations relating to the purchase price allocation process

The requirements of IFRS 3 Business Combinations focus significantly on the phase of an acquisition known as the purchase price allocation process. The standard requires that entities identify and determine the fair value of a potentially wide range of intangible assets as well as estimating the fair value of onerous contracts and contingent liabilities acquired. The support of professional valuers will often be needed in order to comply with the requirements of the standard.

Audit of IFRS financial statements

Our member firms' audit teams have significant experience in providing high quality assurance services in relation to the audit of financial statements prepared in accordance with IFRS. They can review interim financial statements and audit those for the full year, group reporting packages for parent consolidation purposes and special purpose financial statements prepared in connection with certain capital market transactions.

Audits are conducted by applying a risk based audit methodology that is in compliance with International Standards on Auditing. It places particular emphasis on the planning phase of the audit in order to identify at an early stage the expertise that will be required to carry out the necessary audit procedures.

Reconciliations between IFRS and US GAAP

RSM McGladrey, together with McGladrey & Pullen LLP, are ranked number five based on size, in the United States. They provide audit and advisory services to clients of member firms of RSM International who are foreign registrants as well as clients who are subsidiaries of companies required to prepare US GAAP or IFRS financial statements.

McGladrey & Pullen LLP's participation (along with the other large US accounting firms and representatives from the SEC) in the International Practices Task Force, provides the clients of RSM International member firms with useful insights on the application of US GAAP and IFRS by global companies.

Embedding IFRS into everyday business

RSM member firms continue to offer support after the first time adoption of IFRS. The in-depth knowledge of our professionals of the key areas and implications of IFRS can be drawn upon to meet specific needs, whatever stage of the transition process has been reached. Our member firms can help address the challenges of IFRS through solutions tailored for each business. As new standards and interpretations arise, our member firms address the implications early and provide guidance on how these new developments affect businesses. They also offer continuing staff training and provide follow-up support.

IFRS training

A thorough knowledge of IFRS and experience in applying the standards is essential in gaining a clear understanding of the accounting and business implications of each standard. Our member firms can organise and deliver specially tailored training programmes whether for the board, the audit committee, the finance team or operational teams.

IFRS technical assistance

Implementing IFRS can result in complex technical issues arising. Clients of RSM International member firms can benefit from access to their range of experts who combine accounting and other relevant expertise (eg, on business valuations and financial instruments) in order to provide specialist advice where it is needed.

Share-based payments

IFRS 2 Share-based Payments requires the determination of the cost of providing incentives through share-based payment transactions including those related to granting share options to employees. Our member firms can help in the application of valuation methodologies in order to arrive at a reliable estimate of the cost.

Working in partnership with you

Our member firms will work in partnership with clients to address the impact of IFRS developments on their business. The services required may be related to due diligence and transaction support, IFRS valuations, training, conversion to IFRS or the audit of financial statements in accordance with IFRS. Our members bring knowledge of local markets, an understanding of the business issues to be addressed when expanding internationally and excellence in the application of IFRS.

Overview of RSM member firm IFRS services

A sample of some key IFRS services provided by RSM International member firms are summarised below.

EUROPE

France

RSM France is providing audit services for listed and non-listed entities in the banking, engineering, food and catering, manufacturing, pharmaceutical, real estate, retail and other sectors. For some of these entities, RSM France has also provided some IFRS conversion and consultation services.

RSM France has also developed and delivered significant training programmes for large multinational companies based in France. These training activities were developed in order to increase the IFRS knowledge of staff at various levels in the organisation.

Germany

RSM Germany and its network of firms are auditors for some 15 publicly listed companies who set up their financial statements under IFRS, partly among the top 160 listed companies (DAX family), and for numerous family owned non-listed clients. In addition, RSM Germany audit the IFRS reporting packages of a large number of affiliates of IFRS adopters who are headquartered outside Germany.

In 2008, RSM Germany conducted several conversion projects to IFRS. These projects comprise the consideration of the EDP environment, training workshops for the client, the preparation of IFRS accounting manuals and the evaluation of accounting options. Moreover, RSM Germany assisted companies in connection with acquisitions - often after a due diligence process - to account for the resultant business combination under IFRS including the required valuation services for tangible and intangible assets in accordance with IFRS 3.

Italy

RSM Italy has a proven track record of quality in successfully providing IFRS related services to its clients and particularly assisting them in converting from local GAAP to IFRS. The partners of RSM Italy also have significant experience in providing IFRS services to their clients as part of IPO projects on the "Borsa Italiana" (the Milan-based Italian stock exchange) and on the London stock exchanges (LSE and AIM).

The main services provided include: assistance in the preparation of IFRS financial statements, audit of IFRS financial statements, technical accounting advice on complex IFRS issues, IAS 39 and financial instruments related accounting advice, purchase price allocation services in connection with business combination transactions, valuation and impairment test assessments, as well as advice regarding reconciliation analysis between IFRS, Italian GAAP and US GAAP.

Russia

RSM Top-Audit is one of the leading accountancy firms in Russia and is particularly active in the energy sector and in providing IFRS services to not-for-profit organisations in connection with World Bank projects. RSM Top-Audit is the founder, along with government and business organisations, of the Academy of International Accounting with the aim of providing comprehensive training and consultancy services related to the adoption of IFRS.

RSM Top-Audit has been providing auditing and consulting services to a large number of listed and non-listed entities operating, for example, in the medical equipment, telecommunications and energy sectors.

Spain

RSM Gassó Auditores provides IFRS services to listed and private clients in different industries including manufacturing, construction, real estate and health care. RSM Gassó Auditores is routinely involved in providing training and consultation services particularly with regard to the first-time implementation of IFRS for entities converting their financial statements from Spanish Accounting Principles to IFRS and other sophisticated IFRS issues.

A significant portion of the clients of RSM Gassó Auditores are subsidiaries of international groups preparing consolidated financial statements under IFRS. As a result, over the years, RSM Gassó Auditores has developed specific capabilities in order to meet the IFRS consolidated reporting requirements of those clients.

United Kingdom

RSM Bentley Jennison is regarded as one of the most progressive professional services firms in the UK today. It has a wide variety of listed and private clients in the manufacturing, distribution, medical, support services and research sectors. RSM Bentley Jennison has recently been involved in assisting clients with transition to IFRS. This has involved detailed consideration of business combination issues such as reverse acquisition accounting, identification and valuation of intangible assets, deferred and contingent consideration together with other issues such as valuation of share options.

Services provided include: preparation of IFRS financial statements, audit of IFRS financial statements, assistance with IFRS conversions, consideration of IFRS aspects of due diligence exercises and advice regarding differences between IFRS, US and UK GAAP.

Overview of RSM member firm IFRS services

A sample of some key IFRS services provided by RSM International member firms are summarised below.

ASIA PACIFIC

Australia

Australia was one of the first OECD members to adopt IFRS for listed and unlisted entities, with IFRS implemented by most entities for years ended 30 June 2006. RSM Bird Cameron's specialists were actively involved in many of these IFRS projects for clients in both the public and private sectors.

RSM Bird Cameron's IFRS services include assistance with preparation and audit of IFRS financial statements, advising on complex technical accounting issues, including IAS 39, IFRS 2 and IFRS 3, purchase price allocation, valuation services and training, with particular expertise in the construction, education, energy and mining industries.

Hong Kong

RSM Nelson Wheeler has been highly successful in providing work related to new public offerings on the Hong Kong Stock Exchange and has been active in providing audit and IFRS conversion services to listed entities in the electronic equipment, IT, manufacturing, retail and sports equipment sectors. They have provided due diligence and purchase price allocation services in connection with business combination transactions for non-audit clients.

RSM Nelson Wheeler is also involved in working with businesses in China and with international companies that want to break into the Chinese market.

Singapore

RSM Chio Lim has been providing work related to new public offerings on the Singapore Stock Exchange for many years. They are active in providing audit and IFRS conversion services to entities incorporated in foreign countries but seeking listing on the Singapore Stock Exchange and to companies on AIM. They provide due diligence and purchase price allocation services in connection with business combination transactions for non-audit clients.

RSM Chio Lim also works with businesses in China and with other international companies that want to seek listing in Singapore or on AIM.

MIDDLE EAST

Kuwait

In Kuwait, IAS/IFRS has been applied to financial statements since 1990 and for many years, RSM member firm, Albazie & Co, has been one of the most well-established accounting firms in Kuwait. As a result, it has significant IFRS experience from serving international companies with interests in the region as well as local entities.

Audit services are provided to a large number of listed entities in the banking, construction, energy, entertainment, investment, manufacturing, real estate and warehouse and logistics sectors.

THE AMERICAS

Canada

Given Canada's commitment for all publicly accountable enterprises to transition to IFRS by 2011, RSM Richter has been actively assisting clients in their transition plans from Canadian GAAP to IFRS. These clients are primarily in the real estate, franchise, high-tech and retail industries as well as the public sector.

Other services provided by RSM Richter include audits of IFRS compliant financial statements, assistance with reconciliations from Canadian GAAP to IFRS and extensive IFRS training.

United States of America

RSM McGladrey and McGladrey & Pullen LLP (audit) have been successful in serving clients with IFRS services. Due to recent events occurring in the US, especially the SEC ruling to accept IFRS financial statements in filings made by foreign private issuers with the SEC, the activity in the US with respect to IFRS has accelerated.

RSM McGladrey and McGladrey & Pullen LLP have responded by providing financial statement conversion services that involve converting IFRS to US GAAP or US GAAP to IFRS.

The firm can also serve needs resulting from conversions from US GAAP to IFRS such as tax planning, internal control consulting, IT systems consulting, etc. RSM McGladrey has also developed and delivered IFRS training to finance and management personnel, boards of directors and audit committee members.

Mexico

The Mexican SEC announced the requirement for all publicly accountable entities to adopt IFRS by 2012, but early adoption will be allowed. Furthermore, the Mexican Financial Reporting Standards Committee has announced that a full convergence with IFRS will be achieved by mid-2011.

Currently, RSM BEPAM assists Mexican subsidiaries of international corporations (mainly European and Asian entities) with IFRS reporting for foreign reporting packages and extensive IFRS transition training for Mexican public and non-public entities.

Contact

Please contact the RSM International Executive Office for more information on IFRS services provided by RSM member firms:

Ellen Costa
RSM International
E: ellen.costa@rsmi.com

IFRS Champions

RSM International has IFRS Champions within member firms in the following countries:

EUROPE

Austria	Luxembourg
Azerbaijan	Malta
Belgium	Norway
Denmark	Portugal
France	Russia
Germany	Spain
Holland	UK
Italy	

AFRICA & MIDDLE EAST

Kenya
Kuwait
Lebanon
South Africa

AMERICAS

Canada
Mexico
USA

ASIA PACIFIC

Australia	Malaysia
China	New Zealand
Hong Kong	Singapore
India	Taiwan
Indonesia	

IFRS Leadership Group

Stefano Bianchi
RSM Italy, Italy
E: stefano.bianchi@rsmitaly.com

Patrick Brown
McGladrey & Pullen, USA
E: patrick.brown@rsmi.com

Bob Dohrer
RSM McGladrey/McGladrey & Pullen, USA
E: robert.dohrer@rsmi.com

Marco Marcellan
RSM McGladrey, USA
E: marco.marcellan@rsmi.com

Jane Meade
RSM Bird Cameron, Australia
E: jane.meade@rsmi.com.au

Chandra Sekaran
RSM Albazie & co, Kuwait
E: chandra.sekaran@albazie.com

RSM International

global excellence in audit, tax & consulting

RSM International

Executive Office
2nd Floor, 11 Old Jewry
London EC2R 8DU
United Kingdom

T: +44 (0)20 7601 1080
F: +44 (0)20 7601 1090
E: rsmcommunications@rsmi.com

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