Financial Reporting Matters

April 2005 **Issue 5**

AUDIT

This edition continues with our discussion on business combinations, focusing on step acquisitions, accounting for a business combination using provisional amounts and reverse acquisitions. We also introduce draft international interpretations that will affect entities applying IAS 11 *Construction Contracts* in recognising revenue.

In the previous edition of *Financial Reporting Matters,* we discussed two of the specific issues in accounting for business combinations: - recognition of intangible assets and impairment testing of goodwill.

In this edition, we continue our discussion on the remaining specific issues:

- How to determine goodwill and how to account for fair value changes in each stage of a step acquisition.
- How to account for adjustments to the amounts relating to a business combination accounted for on a provisional basis.
- How to identify transactions that are in fact reverse acquisitions. It is easy to miss a reverse acquisition when it occurs because it is often assumed that the entity issuing the shares as consideration is the acquirer.

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Latest Developments

In mid March 2005, CCDG announced changes to INT-FRS 12 and FRS 39.

INT-FRS 12 *Consolidation - Special Purpose Entities* has been amended to remove the scope exclusion for equity compensation plans. With this change, an employee benefit trust may be considered to be controlled by the sponsor and therefore should be consolidated.

The requirements on transitional and initial recognition of financial assets and financial liabilities in FRS 39 are amended to be effective from 1 January 2005. However, they will not affect the majority of Singapore companies since they have not adopted FRS 39 prior to 1 January 2005.

Business combinations achieved in stages

A business combination can be achieved through more than one exchange transaction, for example, by increasing holdings in the investee entity. Therefore, over a period of time, the investment moves:

- from a mere investment to becoming an associate;
- from an associate to becoming a subsidiary; or
- from a mere investment to becoming a subsidiary.

The issues that arise from business combinations achieved in stages are the determination of goodwill and accounting for changes in fair value at each stage.

How is goodwill determined at each stage?

When a business combination is achieved in stages, FRS 103 *Business Combinations* requires goodwill to be determined using the "step-by-step" method. This method refers to a step-by-step comparison of the cost of the individual investment with the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities ("net assets acquired") at each date of exchange.

Illustrative example 1

Computation of goodwill

On 1 January 2004, Entity P acquired a 20% interest in Entity S for $3,500. Entity P did not have significant influence over Entity S, and accounted for the 20% interest at cost. On 1 January 2006, Entity P acquires a further 50% interest in Entity S for $20,100, and obtains control. The fair value and carrying amount of the assets acquired at the relevant dates are as follows:

	At 1 January 2004		At 1 January 2006	
	Book value ($)	Fair value ($)	Book value ($)	Fair value ($)
Cash and receivables	2,000	2,000	8,000	8,000
Land	6,000	8,000	6,000	11,000
	8,000	10,000	14,000	19,000
Share capital	5,000		5,000	
Retained earnings	3,000		9,000	
	8,000		14,000	

Goodwill for the entire 70% interest is determined by computing the goodwill for each transaction separately, using the cost and the fair value information at the date of the respective transaction. Therefore, Entity P computes goodwill in the following manner:

	Consideration ($)	Fair value ($)	Goodwill ($)
Initial 20% interest	3,500	2,000 (20% * 10,000)	1,500
Next 50% interest	20,100	9,500 (50% * 19,000)	10,600
Total 70%	23,600	11,500	12,100

How to account for changes in fair value at each stage?

For purposes of determining goodwill, illustrative example 1 shows that when a business combination involves more than one transaction, the acquirer is required to use the fair value of net assets acquired and compare that with the consideration at the date of each transaction. The fair value of the net assets acquired at the date of each transaction is likely to be different. A related issue is how to account for changes in fair value at each successive stage.

FRS 103 requires any adjustment to the fair value of net assets acquired at each successive stage to be accounted for as a revaluation. Note that such a revaluation does not set a precedence to require the entity to adopt an ongoing policy of revaluation. Hence, it is possible that the acquiree's property, plant and equipment are revalued on the above basis without the entity revaluing all other property, plant and equipment in the same class in accordance with the revaluation model in FRS 16 *Property, Plant and Equipment.*

Illustrative example 2

Accounting for changes in fair value

Under FRS 22 *Business Combinations,* the acquirer in a business combination could choose to state only the percentage of the net assets acquired, at the fair value. However, under FRS 103, the acquirer is required to state the net assets acquired at their full fair value. The implication is that minority interest, if any, is stated at the respective percentage of the fair value of the acquired entity's net assets.

Using the scenario in illustrative example 1, the minority interest is $5,700, being 30% of the full fair value of net assets acquired.

Initial 20% interest	20% * $10,000	$ 2,000
Subsequent 50% interest	50% * $19,000	$ 9,500
Asset revaluation surplus (note 1)	20% * ($11,000 - $8,000)	$ 600
Post-acquisition retained earnings (note 2)	20% * ($9,000-$3,000)	$ 1,200
Net assets attributable to Entity P		$ 13,300
Net assets attributable to minority interest	30% * $19,000	$ 5,700
Full fair value of net assets acquired		$ 19,000

Note 1: This amount represents the increase in the fair value of Entity S's land (between the period from the initial acquisition of 20% to the subsequent acquisition of 50%) that is attributable to the initial 20%. This is in accordance with FRS 103's requirement to recognise any adjustment to the fair value relating to previously held interest of the acquirer as a revaluation.

Note 2: This amount represents the increase in Entity S's retained earnings (between the period from the initial acquisition of 20% to the subsequent acquisition of 50%) that is attributable to the initial 20% interest.

What if the acquirer is unable to determine the fair value of the net assets acquired previously?

The "step-by-step" method is based on the assumption that fair value information is available. When the initially acquired interest does not constitute an associate or joint venture, the fair value information in respect of the net assets acquired at the initial acquisition may not be available. It may also be difficult to obtain fair value information when there is a considerable lapse of time between the initial transaction and the transaction that establishes control or significant influence.

Under such circumstances, it may be appropriate to use alternative methods for determining goodwill. The first alternative is to use the book value of the assets at the relevant date as a surrogate for their fair value. The second alternative, which is not strictly in accordance with FRS 103, is to compare the total costs of the successive acquisitions with the fair value of net assets acquired at the time control or significant influence is attained.

Illustrative example 3

Entity P acquired 10% interest in Entity S in August 1998. In April 2005, Entity P acquires an additional 70% interest in Entity S. However, the fair value of Entity S's net assets in August 1998 is not available in 2005.

Since fair value information on the net assets acquired at the acquisition of the initial 10% interest is not available, it may be acceptable to use the book value of Entity S's net assets in August 1998 as a surrogate for fair value.

If, even the book value at the initial acquisition date is not available, Entity P could then compare the total costs of both acquisitions (the 10% plus the 70%) with the fair value of Entity S's net assets at the date of the second acquisition when control is achieved. However, this is not the preferred method because the acquisition achieved in stages is accounted for as if it is done as one transaction.

Accounting for the business combination on a provisional basis

How to account for a business combination when the fair value of net assets acquired or cost of the combination cannot be determined at balance sheet date?

FRS 103 requires the acquirer to allocate the cost of the business combination to the identifiable assets, liabilities and contingent liabilities of the acquired entity and compare each item with the respective fair value at the acquisition date. Any difference between the total fair value of the net assets acquired and the cost of the business combination is treated as goodwill or negative goodwill. FRS 103 refers to negative goodwill as "an excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity over cost".

When a business combination occurs close to the acquirer's year-end or when the fair value is not easily determinable, the information required to complete the allocation may not be available when the acquirer prepares its first annual financial statements after the acquisition. This could be due to practical difficulties in determining either the fair value of the net assets acquired or the cost of the combination. In such a case, FRS 103 allows the acquirer to account for the combination using provisionally determined amounts. However, the acquirer has to disclose the amounts that have been determined on a provisional basis and an explanation as to why this is the case.

Illustrative example 4

Entity A acquires Entity B in November 2005. The cost of the business combination is $2,900 but the fair value of an item of property, plant and equipment is not available when the annual financial statements of Entity A for the year ended 31 December 2005 are prepared. In the 2005 financial statements, Entity A recognises a provisional value of $2,500 for the item of property, plant and equipment giving rise to a provisional value of $225 for goodwill as follows:

	Book value ($)	Fair value ($)
Property, plant and equipment	2,125	2,500
Intangible assets	-	125
Inventories	375	350
Trade and other receivables	405	405
Cash at bank and in hand	375	375
Trade and other payables	(930)	(930)
Contingent liabilities	-	(150)
Total fair value of net assets acquired	2,350	2,675
Cost of business combination		2,900
Goodwill recognised on acquisition		225

How are adjustments made when the fair value of the net assets acquired or the cost of the combination is finally determined?

The acquirer is given up to 12 months from the date of the acquisition to finalise the amounts relating to the business combination. During this period, the acquirer is able to recognise any adjustment to the fair value of the net assets acquired with retrospective effect to the acquisition date. This means that the acquirer would adjust the carrying amount of the net assets acquired as if the finally determined amount had been recognised at the acquisition date. Consequently, the carrying amount of goodwill or negative goodwill would be adjusted. The acquirer should also present the comparative information as if the final amounts had been used from the acquisition date.

Illustrative example 5

Continuing with the same scenario as in illustrative example 4, in February 2006, the fair value of the item of property, plant and equipment is finally determined to be $2,700. We assume that the item of property, plant and equipment has a remaining useful life of 5 years at the acquisition date. Therefore, in the 2006 financial statements, the opening carrying amount of the item of property, plant and equipment is adjusted as if the fair value of $2,700 had been recognised at the acquisition date, in accordance with the following table:

	31 December 2005, as restated ($)	31 December 2005, as previously stated ($)
Property, plant and equipment	2,610	2,417
Goodwill recognised on acquisition	25	225
Depreciation of property, plant and equipment	90	83

In the 2006 financial statements, Entity A discloses the amounts and explanations of the adjustments to the provisional values recognised as follows:

1. The fair value of the item of property, plant and equipment at the acquisition date has been increased by $200 with a corresponding decrease in goodwill.
2. The 2005 comparative information is restated to reflect this adjustment and to include additional depreciation charge of $7 relating to the year ended 31 December 2005.

How to account for adjustments after initial accounting is completed?

After 12 months from the date of acquisition, except for adjustments relating to contingent considerations and deferred tax assets of the acquired entity, any adjustment to the carrying amount of recognised assets and liabilities or the cost of combination, is not considered as an adjustment to provisional values. Instead, such adjustments should be recognised as corrections of errors. The acquirer should account for an error correction retrospectively as if the error had never occurred. Thus, the acquirer should disclose the nature of the error and restate the comparative information for prior periods.

Contingent consideration

The cost of the business combination may be subject to adjustments based on future events such as the future profitability of the acquired business. At the acquisition date, if the adjustment is probable and the amount can be measured reliably, the acquirer should adjust the cost of business combination with the contingent consideration. However, if the amount of adjustment cannot be estimated or is not probable at the acquisition date, the acquirer only recognises the adjustment as and when the amounts are determinable or probable. The adjustment relating to contingent consideration is not subject to the 12-month time limit and is always adjusted by changing the cost of the business combination.

Deferred tax assets of the acquired entity

At the acquisition date, the acquirer recognises the identifiable assets of the acquired entity only if:

- the asset's fair value can be reliably measured; and
- it is probable that the related economic benefits will flow to the acquirer.

In the case of deferred tax assets of the acquired entity, if the above conditions are not met from the acquirer's perspective, the acquirer may not recognise such assets at the acquisition date. When the conditions are met in subsequent periods, the acquirer recognises the deferred tax benefits in the profit and loss account. At the same time, the carrying amount of goodwill is reduced to the amount that would have been recognised had the deferred tax assets been recognised as identifiable asset at the acquisition date. The reduction in goodwill is recognised in the profit and loss account as an expense.

Illustrative example 6

In January 2005, Entity X acquired Entity Y that had deductible temporary differences of $500. The tax rate at the acquisition date was 22%. In accounting for the business combination, Entity X did not recognise the deferred tax asset of $110 ($500 at 22%) as an identifiable asset. Goodwill of $300 was recognised for this business combination.

In September 2007, Entity X determines that it has sufficient future taxable profits to recover the benefit of all the deductible temporary differences. Assume the tax rate in 2007 is 20%.

In the 2007 annual financial statements, Entity X recognises a deferred tax asset of $100 ($500 at 20%) and the corresponding deferred tax income in the profit and loss account. The goodwill is reduced by $110 to $190, being the amount that would have been recognised had Entity X recognised the deferred tax asset at the acquisition date. The reduction in goodwill is recognised in the profit and loss account.

It can be seen from the above illustrative example that the recognition of the deferred tax asset of the acquired entity subsequent to the acquisition date should be based on the tax rate at the acquisition date. Should there be a difference in the tax rates between the acquisition date and the date of subsequent recognition, the effect of the difference in rates has an impact on the profit and loss account.

An important point to note is that when the acquirer recognises the deferred tax assets of the acquired entity in subsequent periods, the recognition of the deferred tax assets should not create or increase the amount of negative goodwill. If the adjustment creates or increases the negative goodwill, the intended adjustment (for the unrecognised deferred tax assets) to goodwill should not be made.

Illustrative example 7

Assume Entity Y had deductible temporary differences of $1,800 instead of $500 as stated in illustrative example 6. In the 2007 annual financial statements, Entity X recognises a deferred tax asset of $360 ($1,800 at 20%) and a corresponding deferred tax income in the profit and loss account. However, in this case, Entity X only credits goodwill of up to $300 instead of $396 ($1,800 at 22%). This is because reducing goodwill by $396 would create a negative goodwill of $96, which is prohibited by FRS 103.

Reverse acquisitions

How to identify a reverse acquisition?

A reverse acquisition is an acquisition that results in the legal subsidiary becoming the acquirer and the legal parent (issuer of shares) becoming the subsidiary for accounting purposes. In practice, the reverse acquisition may be used as a means to secure a stock exchange listing through the "back door".

A reverse acquisition to secure a listing normally works in this way: A private entity arranges to have itself "acquired" by a smaller listed entity. The listed entity issues its shares as consideration for acquiring the private entity. However, the number of shares issued is such that the owners of the private entity would become the holders of a controlling stake in the listed entity after the share exchange. The controlling stake may or may not be accompanied by other indicators of control, such as the power to appoint or remove the majority of the members of the board, but in all probability, the owners of the private entity would have secured control over the combined entity.

The consolidated financial statements following a reverse acquisition may be confusing because even though the financial statements are issued in the name of the legal parent, it is accounted for as a subsidiary. Very often, to reflect the true ownership of the group, the legal parent changes its name to be similar to that of the accounting parent.

The following are three case studies of recent reverse acquisitions involving Singapore listed companies.

Case study 1

The transaction

On 22 April 2003, Greatronics Limited, previously known as Cybermast Limited ("Cybermast"), became the legal parent of M&V Holding S Pte Ltd ("MH") and Greatronic Marketing S Pte Ltd ("GM") in a share-for-share exchange transaction.

Analysis of the transaction

The primary indicator that this is a reverse acquisition is that Cybermast issued so many of its shares as purchase consideration that the shareholders of MH and GM hold a controlling stake in Cybermast immediately after the share exchange.

Total number of shares of Cybermast before "acquisition" of MH and GM	55,298,079
Number of shares issued by Cybermast to "acquire" MH and GM	71,086,202
Percentage of shares held by shareholders of MH and GM in Cybermast	56%

Another indicator that the acquisition is a reverse acquisition is that MH's and GM's executive management and systems have replaced those of Cybermast.

Accounting for the transaction as disclosed in the Annual Report 2003

"As a consequence of applying the reverse acquisition accounting, the results for the year ended 31 December 2003 comprises the results of the acquired companies for the year ended 31 December 2003, and those of the Cybermast Group from 22 April 2003 (the date of reverse acquisition) to 31 December 2003."

"Goodwill amounting to $1,191,268 arose on the difference between the fair value of Cybermast Limited's share capital and the fair value of its net assets at the reverse acquisition date."

"The comparative figures in the consolidated financial statements are presented to reflect those of the acquired companies."

Case study 2

The transaction

On 28 February 2003, NeoCorp International Ltd, previously known as Presscrete Holdings Ltd ("Presscrete"), became the legal parent of NeoCorp Innovations Pte Ltd ("NIPL") by acquiring the entire issued share capital of NIPL from Neo Investment Pte Ltd ("NI") and Neo Corporation Pte Ltd ("NC"). Upon the completion of the acquisition, NI became the majority shareholder of the Company.

Analysis of the transaction

The primary indicator that this is a reverse acquisition is that Presscrete issued so many of its shares as purchase consideration that the shareholders of NIPL hold a controlling stake in Presscrete immediately after the share exchange.

Total number of shares of Presscrete before "acquisition" of NIPL	118,980,280
Number of shares issued by Presscrete to "acquire" NIPL	333,333,333
Percentage of shares held by shareholders of NIPL in Presscrete	74%

Accounting for the transaction as disclosed in the Annual Report 2003

"As a consequence of applying reverse acquisition accounting, the results for the year ended 30 November 2003 comprise the results of NIPL for the year ended 30 November 2003, and those of the former Presscrete Holdings Group from 28 February 2003 (the date of reverse acquisition) to 30 November 2003."

"Goodwill amounting to approximately $9,619,000 arose from the difference between the cost of acquisition and the fair value of the net liabilities assumed at the reverse acquisition date."

"The comparative figures on the consolidated financial statements are presented to reflect those of NIPL."

Case study 3

The transaction

In 2002, United Fibre System Ltd ("UFS") acquired 100% interest in Anrof Singapore Limited ("ASL"). The purchase consideration included the issue of 1.3 billion shares of UFS at their fair value and cash payable.

Analysis of the transaction

One indicator that the accounting acquirer should be ASL, and not UFS, is that UFS issued so many of its shares as purchase consideration that the shareholders of ASL hold a controlling stake in UFS immediately after the exchange of shares.

Total number of shares of UFS before "acquisition" of ASL	391,081,320
Number of shares issued by UFS to "acquire" ASL	1,319,731,000
Percentage of shares held by shareholders of ASL in UFS	77%

Accounting for the transaction as disclosed in the Annual Report 2003

"The acquisition was accounted for using the "purchase" method ....Goodwill resulting from the acquisition of approximately $298 million was recorded in the consolidated financial statements. The amount represents the excess of the purchase consideration over the fair values of the assets and liabilities of ASL."

In case study 3, since the acquisition was a reverse acquisition, the "purchase" method of accounting should not have been applied with UFS as the parent even though it is the legal parent. Instead the "purchase" method of accounting should have been applied with ASL as the parent. Accordingly, the auditors' report on the financial statements of UFS was qualified on the basis that the acquisition meets the description of a reverse acquisition transaction and should have been accounted for as such:

Extract from the auditors' report as disclosed in the Annual Report 2003

"Had the principle of "reverse acquisition accounting" been applied, ASL would be deemed to be the acquirer and the purchase consideration would be deemed to have been incurred by ASL and, accordingly, would be based on the number of shares that ASL would have had to issue to acquire the Company in the reverse acquisition (equivalent to the fair value of 391 million shares of the Company). In consequence, the amount of goodwill arising on consolidation, net assets and shareholders' equity, respectively, would have been reduced by approximately $229 million (2002: $233 million), and the loss for the year of $34.9 million (2002: $712,000) would have been a loss of approximately $30.4 million (2002: profit of approximately $3.5 million)."

How to account for a reverse acquisition?

The two basic considerations in accounting for a reverse acquisition are the determination of the cost of acquisition and the computation of goodwill.

Determining the cost of acquisition

In a reverse acquisition, the cost of the business combination is deemed to have been incurred by the accounting acquirer (ie. the legal subsidiary), in the form of equity instruments issued to the owners of the accounting acquiree (ie. legal parent).

Illustrative example 8

On 30 September 2005, Entity A "acquires" Entity B. Before the acquisition, Entity B has 60 shares. Entity A issues 2.5 shares in exchange for each ordinary share of Entity B. The fair value of each share of Entity B at the date of acquisition is $40 and the quoted market price of Entity A's shares at that date is $12. The book value of Entity A's net assets at the date of acquisition is $1,100. The fair value of Entity A's non-current assets is $200 more than its book value.

Total number of shares of A before "acquisition" of Entity B	100
Number of shares issued by A to "acquire" Entity B	150
Percentage of shares held by shareholders of Entity B in Entity A	60%

After analysing all the elements of control, it is concluded that Entity B is the acquirer for accounting purposes.

Prior to the reverse acquisition, the shareholders of Entity B owned the entire issued capital of 60 shares in Entity B. To equate to the 60% interest that the shareholders of Entity B now hold in Entity A, Entity B's share base needs to be grossed up to 100 shares (ie. 60 shares divided by 60%). Thus, Entity B is required to notionally issue 40 additional shares. This is a notional calculation, as Entity B did not issue any shares. As the fair value of Entity B's shares is $40 each, the notional cost of acquisition in this example is $1,600 (ie. 40 multiplied by $40).

Determining goodwill

In a reverse acquisition, goodwill is measured as the excess of the notional cost of the business combination of the legal subsidiary over the net fair value of the legal parent's net assets.

Illustrative example 9

Using the numbers in illustrative example 8, goodwill is calculated by comparing the cost of acquisition (incurred theoretically by Entity B) to the fair value of the net assets of Entity A, the accounting acquiree.

Net assets	$ 1,100
Fair value adjustment	$ 200
Total fair value	$ 1,300
Cost of acquisition	$ 1,600
Goodwill	$ 300

How to present consolidated financial statements after a reverse acquisition?

The following are specific considerations relating to the presentation of consolidated financial statements after a reverse acquisition:

- Comparatives should be restated to reflect those of the accounting parent (legal subsidiary).
- The retained earnings and other equity balances (except for share capital) are those of the accounting parent (legal subsidiary) immediately before the acquisition.
- The assets and liabilities of the accounting parent (legal subsidiary), are recognised at their book value and the assets and liabilities of the accounting subsidiary (legal parent) are recognised at their fair value.
- The amount recognised as share capital is the share capital of the accounting parent (legal subsidiary) immediately before the acquisition plus the cost of the acquisition calculated from the perspective of the accounting parent.
- The number of shares is the number of shares issued by the legal parent. In addition, any split between share capital and share premium should be determined by reference to the par value of the shares of the legal parent.
- For the purposes of calculating the earnings per share for the period during which a reverse acquisition occurs, the weighted average number of ordinary shares outstanding is determined in the following manner:
  - From the beginning of the period to the acquisition date: number of shares issued by the legal parent to the owners of the legal subsidiary (the number is 150 in illustrative example 8); and
  - From the acquisition date to the end of the period: actual number of shares of the legal parent outstanding during the period (the number is 250 in illustrative example 8).

  In a normal acquisition, the number of shares outstanding before the acquisition is the actual number of shares the legal parent had in issue before the acquisition. However, in a reverse acquisition, the number of shares outstanding before the acquisition is deemed to be the actual number of shares issued by the legal parent for the purpose of the acquisition.

Developments in international standards and interpretations

IFRIC draft Interpretations:

- D12 *Service Concession Arrangements: Determining the Accounting Model*
- D13 *Service Concession Arrangements: The Financial Asset Model*
- D14 *Service Concession Arrangements: The Intangible Asset Model*

Comment period ends on 3 May 2005

These draft interpretations provide guidance for service concession operators on how to account for service concession arrangements under the existing IFRS framework.

Do these draft interpretations have any relevance for entities that do not act as service concession operators? Yes, we believe that any entity applying IAS 11 *Construction Contracts* in recognising revenue would be affected by the proposals in these drafts, especially, D13, in the following manner:

- It is possible to report different profit margins on different activities within a single contract even though the contract has not been segmented under IAS 11.
- Once revenue is being recognised on a project, an entity should cease capitalisation of interest and charge the interest cost to the profit and loss account as incurred.
- If a single contract requires performance of multiple activities, the total contract revenue (and profit on the contract) should be allocated to each activity. This would apply to contracts involving incidental activities such as maintenance during the warranty period.

A discussion of the three draft interpretations, D12 to D14 is found in the KPMG International publication, *IFRS Briefing Sheet Issue 19*.

The European Union (EU)'s adoption of IFRSs.

KPMG International publication, *IFRS Briefing Sheet Issue 18* addresses the implementation of IFRSs in EU and the current status of the endorsement process that underlies the implementation. It contains a very useful table listing all the standards and interpretations that have been endorsed.

For other developments relating to international standards, refer to KPMG International publication, *IFRS in Brief, issues 10, 11 and 12.*

2005 Financial Reporting Standards Seminars

There are substantial changes to Financial Reporting Standards applicable in Singapore from 2005. Many of these changes result from Singapore's adoption of new/revised International Financial Reporting Standards for 2005. KPMG is holding a series of half-day seminars from May to October 2005 to explain the key changes and highlight implementation issues.

Who Should Attend

These seminars are essential for chief financial officers, financial controllers and others involved in the preparation of financial statements. External users of financial information will also find the seminar beneficial.

For further information on all seminars available, please refer to the enclosed information sheet or visit our website at **kpmg.com.sg/seminar.**

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