



Made-to-measure
IFRS support.

Made-to-measure IFRS support

IFRS (International Financial Reporting Standards) will become the leading reporting framework in the European Union. At least 7000 European listed companies have been applying IFRS since 2005. It is expected that many non-listed companies will also convert to IFRS.

Why IAS/IFRS?

- Almost all of the world's stock exchanges accept IFRS as a reporting framework;
- Applying IFRS can significantly improve the quality of financial reporting and the confidence of global investors and other business partners (clients, vendors ...) recognizing this framework;
- IFRS will enable you to benchmark your company with your competitors;
- IFRS is experiencing increased recognition as a reporting framework in local jurisdictions;
- This will reduce the burden of dual reporting;
- Throughout the world, IFRS is recognized as a high-quality reporting framework, resulting in relevant, understandable and comparable financial statements.

The conversion to IFRS

By changing from Belgian GAAP to IFRS, you will be facing many issues in the areas of accounting, tax, communication, human resources and disclosures.

Accounting

Conversion

IFRS differs significantly from Belgian GAAP on a number of accounting topics. Therefore, conversion to IFRS requires a thorough analysis of the differences between IFRS and the Belgian GAAP currently applied by your company.

First time adoption

- How should the financial statements of the current and previous year be prepared and presented in the period of first time adoption?
- Which provisions and other individual balances should be restated, and how should they be presented? What will be the impact on net equity?

As a general rule, the financial statements in the first time adoption period should be prepared and presented as if they have always been prepared in accordance with IFRS.

Management information

- Your current (financial) management information system is probably based on Belgian GAAP. The transition to IFRS is likely to affect your information system and the way you monitor the performance of your company. Net equity and net income may vary substantially when based on a different set of accounting principles such as IFRS;
- Budgets and forecasts should be based on IFRS once IFRS has been fully implemented.
- Information systems (accounting software, SAP, Oracle, consolidation package, ...) will have to be adapted to provide you with the necessary data.

Deloitte is your trusted advisor
in making the change to IFRS



Tax

- Will the changes from Belgian GAAP to IFRS be included in the local tax legislation?
- Differences between tax (= statutory) and commercial books will result in additional system and reporting requirements;
- An adequate deferred tax accounting calculation will have to be performed.

Human Resources

Applying a different set of accounting principles requires training for all staff involved (not only the finance department).

Bonus systems and pension plans are reported differently under IFRS. This might have significant impact on your balance sheet (e.g. actuarial calculations may be required).

Disclosures and communication

Your company will be required to make additional disclosures (e.g. business and geographical segments,...).

Quite a lot of extra information has to be provided in the financial statements (e.g. earnings per share, ...).

In which areas can Deloitte help you?

We help our clients:

- Analyse the main differences between Belgian GAAP and IFRS.
- Assess choices available under IFRS and the impact of the transition on the financial statements;
- Identify necessary changes to accounting procedures, system requirements and software;
- Implement the accounting systems, procedures and policies.

We assist you in the overall transition from Belgian GAAP to IFRS. We help you address any issues regarding first time adoption, differences between tax and commercial books, first time presentation of the IFRS financial statements, and so on.

- Develop a new accounting policy manual and update the systems' documentation and user manuals;
- Test the new accounting systems;
- Ensure that all relevant personnel are trained and knowledgeable.

A general orientation session of one in-house training day could be organised for all finance people and key management. In-depth training sessions should be tailored to the company's specific needs (e.g. deferred taxation, impairment, ...).

Deloitte in Belgium

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In Belgium, Deloitte has more than 2,450 employees in 12 offices across the country, serving national and international companies, from small and middle sized enterprises to public sector and non-profit organisations. The turnover reached more than 317 million euro in the financial year 2008-2009.

The Belgian practice is part of the international firm Deloitte Touche Tohmatsu. For the fiscal year ended 31 May 2009, Deloitte Touche Tohmatsu realised a turnover of US\$26.1 billion worldwide, with approximately 169,000 members of staff in more than 140 countries.

For more information

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