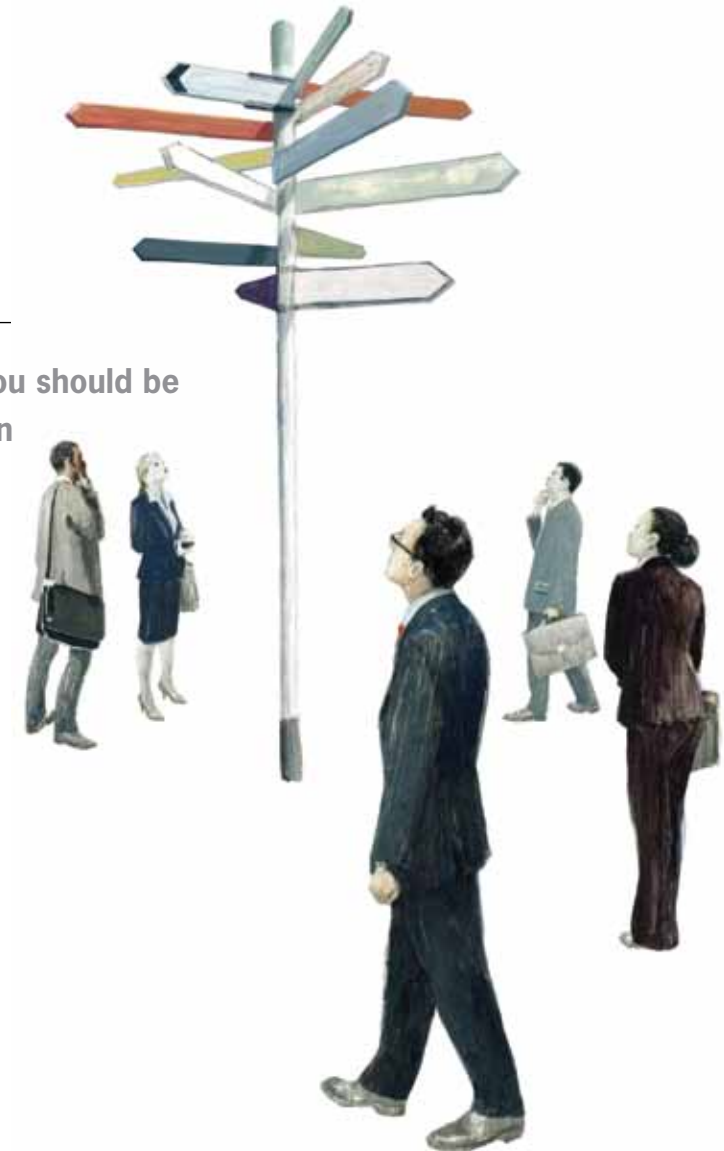


# Navigating the FD's commercial agenda

---

...the issues and their accounting implications you should be  
considering for the forthcoming reporting season



<b>Contents</b>	<b>Page</b>
Introduction	3
Economic Conditions	4
Public Spending	6
Financing and refinancing	8
Asset-based finance/refinancing	10
Business models are evolving	12
Corporate simplification	14
International developments/FOREX	16
Property lease issues	18
Employee remuneration	20
Acquisition opportunities	22







# Introduction

---

Finance Directors are accountable to the Board. This guide is intended to help make sure that you are on top of the accounting implications of key commercial issues facing businesses at present. These issues should be on your agenda. The reporting impact of these issues reaches beyond the financial statements to narrative reports such as the business review in the directors' report. The overall cohesiveness and consistency of the annual report matters too.

This guide is not intended to be a comprehensive list of issues that companies may face during the financial reporting season. This guide is based on accounting requirements applicable for accounting periods commencing on or after 1 January 2011. For IFRS, this guide is written in terms of a publicly-traded entity. For UK GAAP, the guide is written in terms of large unquoted entities that are not applying FRS 26 Financial Instruments: Recognition and Measurement.






## Key to the issues:

-  Affects balance sheet
-  Affects reported profits
-  Affects disclosures
-  Affects narrative reporting

# Economic conditions






Economic growth remains slow and market conditions are challenging. The outlook for many businesses is uncertain due to pressures on margins and financing as well as weak demand for products and services.

Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

IFRS issues	
<p>Significant adverse changes in the economic environment are an indicator of potential asset impairments under IAS 36 <b>Impairment of Assets</b>: impairment write-downs may be required. Inventory write-downs may also be required under IAS 2 <b>Inventories</b>.</p>	
<p>Companies may seek to mitigate exposure to volatile markets through the use of forward contracts or interest rate swaps. IAS 39 <b>Financial Instruments: Recognition and Measurement</b> requires such derivatives to be recognised at fair value through profit or loss, but with scope to apply hedge accounting if onerous conditions are met from the outset. Disclosure requirements are extensive.</p>	
<p>Directors should make balanced, proportionate and clear disclosures in the accounts about going concern for the financial statements to give a true and fair view.</p>	
<p>Material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern must be disclosed under IAS 1 <b>Presentation of financial Statements</b>.</p>	
<p>Principal risks and uncertainties, and actions taken to mitigate, should be explained in the business review. Financial risk management objectives and policies should be explained clearly.</p>	

# Economic conditions






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>Significant adverse changes in the economic environment are an indicator of potential asset impairments under FRS 11 <a href="#">Impairment of Fixed Assets and Goodwill</a>: impairment write-downs may be required. Stock write-downs may also be required under SSAP 9 <a href="#">Stocks and long-term contracts</a>.</p>	
<p>Companies may seek to mitigate exposure to volatile markets through the use of forward contracts or interest rate swaps. Where FRS 26 is not applied, the fair value of derivatives needs to be disclosed. Where instruments represent onerous contracts, provisions are required under FRS 12 <a href="#">Provisions, Contingent Liabilities and Contingent Assets</a>.</p>	
<p>Directors should make balanced, proportionate and clear disclosures in the accounts about going concern for the financial statements to give a true and fair view.</p>	
<p>Material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern must be disclosed under FRS 18 <a href="#">Accounting Policies</a>.</p>	
<p>Principal risks and uncertainties, and actions taken to mitigate, should be explained in the business review. Financial risk management objectives and policies should be explained clearly.</p>	

# Public spending






The major public spending cuts will affect many companies as the public sector seeks to find efficiencies in the provision of its services.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
<p>Public spending cuts may represent a significant adverse change in the market for goods or services supplied by businesses to the public sector. This is an indicator of potential asset impairments under IAS 36 <i>Impairment of Assets</i>: impairment write-downs may be required.</p>	
<p>A downturn in business may necessitate restructuring. Provisions are required under IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> when, and only when, there is an obligation to restructure. Management intent alone is insufficient.</p>	
<p>Many businesses that do not deal directly with the public sector may nevertheless be affected by the cuts, for example if they are in the supply chain, and may also need to recognise impairments or restructure their operations.</p>	
<p>Government funding cuts may mean that businesses face material uncertainties that cast significant doubt on their ability to continue as a going concern, which must be disclosed under IAS 1 <i>Presentation of financial Statements</i>.</p>	
<p>The business review should provide a fair review of the development of the company's business and its year end position. The impact of government cuts should be discussed if significant. Quoted companies need to address future prospects in their business reviews.</p>	

# Public spending





Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>Public spending cuts may represent a significant adverse change in the market for goods or services supplied by businesses to the public sector. This is an indicator of potential asset impairments under FRS 11 <a href="#">Impairment of Fixed Assets and Goodwill</a>: impairment write-downs may be required.</p>	
<p>A downturn in business may necessitate restructuring. Provisions are required under FRS 12 <a href="#">Provisions, Contingent Liabilities and Contingent Assets</a> when, and only when, there is an obligation to restructure. Management intent alone is insufficient.</p>	
<p>Many businesses that do not deal directly with the public sector may nevertheless be affected by the cuts, for example if they are in the supply chain, and may also need to recognise impairments or restructure their operations.</p>	
<p>Government funding cuts may mean that businesses face material uncertainties that cast significant doubt on their ability to continue as a going concern, which must be disclosed under FRS 18 <a href="#">Accounting Policies</a>.</p>	
<p>The business review should provide a fair review of the development of the company's business and its year end position. The impact of government cuts should be discussed if significant.</p>	

# Financing and refinancing

Pressures on financing and meeting loan covenants mean that many businesses are looking to debt-for-equity swaps, debt renegotiations and refinancing to manage their financial obligations.

Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

IFRS issues	
<p>Where a company is in breach of a covenant at its year end, IAS 1 <a href="#">Presentation of Financial Statements</a> typically requires the loans affected to be shown as current liabilities even if the breach is remedied or waived after the year end. Waivers need to be in place prior to the year end to obviate this.</p>	
<p>Where loans are renegotiated and the new terms are significantly different, IAS 39 <a href="#">Financial Instruments: Recognition and Measurement</a> requires this to be treated as an extinguishment of the old loan and the taking out of a new one, with an immediate impact on profit or loss for any difference.</p>	
<p>IFRIC 19 <a href="#">Extinguishing Financial Liabilities with Equity Instruments</a> normally requires equity instruments issued to settle a financial liability (eg in a debt-for-equity swap) to be measured at the fair value of the equity instruments issued. Gains or losses on settlement of a financial liability are recognised immediately in profit or loss. Specialist tax advice should be obtained in advance.</p>	
<p>The <a href="#">Companies Act 2006</a> requires a share premium to be recognised for the difference between the nominal value of shares issued and the face amount of the debt relieved, even if the fair value of shares is lower.</p>	

# Financing and refinancing






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>Where a company is in breach of a covenant at its year end, FRS 25 <b>Financial Instruments: Presentation</b> typically requires the loans affected to be shown as current liabilities even if the breach is remedied or waived after the year end. Waivers need to be in place prior to the year end to obviate this.</p>	
<p>Under UK GAAP where FRS 26 is not applied, there are currently no prescriptive accounting requirements for debt-for-equity swaps: the most appropriate policy for giving a true and fair view should be applied. A no-gain/no-loss treatment may be acceptable. Specialist tax advice should be obtained in advance.</p>	
<p>Where equity issued in settlement of debt is not substantial, the transaction may be in the nature of a debt waiver rather than a debt-for-equity swap, leading to recognition of a gain in reported profits.</p>	
<p>Costs associated with renegotiating or restructuring existing debt are expensed immediately under FRS 4 <b>Capital Instruments</b> and thus impact on reported profits. UK GAAP is not prescriptive on accounting for debt restructuring or renegotiation.</p>	
<p><b>The Companies Act 2006</b> requires a share premium to be recognised for the difference between the nominal value of shares issued and the face amount of the debt relieved, even if the fair value of shares is lower.</p>	

# Asset-based finance/refinancing






Traditional bank funding is proving harder to find given the capital constraints currently in place. One solution available to companies is to use the increasingly popular working capital facilities collectively known as Asset Based Lending. Asset-backed finance such as sale and leaseback may also be attractive.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
Receivables, or other assets (eg inventories) against which finance is raised, remain on balance sheet unless the derecognition criteria in IFRS are met, usually when substantially all risks and rewards are transferred.	
Finance obtained against assets is presented as a financial liability and classified as either current or non-current according to IAS 1 <a href="#">Presentation of Financial Statements</a> . Finance charges will impact on profit or loss.	
Disclosures include a clear accounting policy, nature and amounts of assets pledged as security or collateral and committed borrowing facilities and lines of credit available to the entity. Inventory or property, plant and equipment pledged as security need to be disclosed.	
On sale and leaseback, the lease needs to be classified according to its substance as operating or finance according to IAS 17 <a href="#">Leases</a> .	
For operating leasebacks, the treatment of any gain or loss on sale depends on whether the transaction is established at fair value. For finance leasebacks, any excess of sale proceeds over the carrying amount of the asset is deferred and amortised over the lease term.	

# Asset-based finance/refinancing






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
Debtors, or other assets (eg stocks) against which finance is raised, remain on balance sheet unless the derecognition criteria in FRS 5 <a href="#">Reporting the Substance of Transactions</a> are met, ie when substantially all risks and rewards are transferred.	
Finance obtained is presented in creditors and classified as either due within one year or after more than one year according to its terms. Finance charges will impact on profit or loss.	
Disclosures include a clear accounting policy, the amount of secured liabilities and the nature of the security. Disclosure of transactions must be sufficient for the reader to understand the commercial effect.	
On sale and leaseback, the lease needs to be classified as operating or finance according to SSAP 21 <a href="#">Accounting for leases and hire purchase contracts</a> .	
For operating leasebacks, the treatment of any gain or loss on sale depends on whether the transaction is established at fair value. For finance leasebacks, any excess of sale proceeds over carrying amount of the asset is deferred and amortised over the shorter of the lease term and useful life of the asset.	

# Business models are evolving





Many UK businesses are changing their business models and finding new ways of transacting with customers to maintain a competitive edge.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
<p>Companies' financial reporting needs to keep pace with changes to their business. As business models evolve, so should the accounting policies. New or different revenue streams necessitate new or revised revenue recognition policies. Bundling of goods and services, loyalty schemes or bonuses and risk-sharing agreements merit close attention.</p>	
<p>Revenue is measured under IAS 18 <b>Revenue</b> at the fair value of the consideration received or receivable. Where settlement is deferred, measurement takes account of the time value of money. Changes to pricing structures and payment terms will impact on the amount and timing of revenue recognised.</p>	
<p>Changes in business activities may necessitate changes to the reporting of segment information under IFRS 8 <b>Operating Segments</b>, as these disclosures are driven by how management monitors the business.</p>	
<p>The business review should include an explanation of the company's business model and a review of developments in the company's business during the year, highlighting significant developments.</p>	
<p>Covenant restrictions need to be kept in mind as changes in business activities may put the company in breach of covenants, leading to reclassification of loans as current liabilities.</p>	

# Business models are evolving






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>Companies' financial reporting needs to keep pace with changes to their business. As business models evolve, so should the accounting policies. New or different revenue streams necessitate new or revised revenue recognition policies. Bundling of goods and services, loyalty schemes or bonuses and risk-sharing agreements merit close attention.</p>	
<p>Revenue is measured under FRS 5 <a href="#">Reporting the Substance of Transactions</a> (Application Note G) at the fair value of the right to consideration. Where settlement is deferred, measurement takes account of the time value of money. Changes to pricing structures and payment terms will impact on the amount and timing of revenue recognised.</p>	
<p>The business review should include an explanation of the company's business model and a review of developments in the company's business during the year, highlighting significant developments.</p>	
<p>Covenant restrictions need to be kept in mind as changes in business activities may put the company in breach of covenants, leading to reclassification of loans as current liabilities.</p>	

# Corporate simplification






The current economic environment and legislative and regulatory changes are causing many companies to consider corporate simplification, a process by which the group structure is streamlined to align with operational requirements.

Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

IFRS issues	
<p>Business combinations involving entities under common control are scoped out of IFRS 3 <a href="#">Business Combinations</a>. Reorganisations by hiving businesses or subsidiaries up to the parent or to a fellow subsidiary will usually meet the ‘common control’ definition. Companies will need to develop appropriate accounting policies and explain the treatment adopted and its impact.</p>	
<p>Restructuring provisions are required under IAS 37 <a href="#">Provisions, Contingent Liabilities and Contingent Assets</a> when, and only when, there is an obligation to restructure. Management intent alone is insufficient.</p>	
<p>The principle in the <a href="#">Aveling Barford v Perion</a> case means that transfers of assets from a subsidiary to a parent or fellow subsidiary at less than their fair value may not be possible where the transferor company has no distributable profits.</p>	
<p>Where the transferor subsidiary has distributable profits, any transfer of assets to a parent or fellow subsidiary below book value needs to be covered by distributable profits under the <a href="#">Companies Act 2006</a>.</p>	
<p>Companies seeking to remove dividend blocks in subsidiaries may look to the capital reduction by solvency statement procedure for private companies under the <a href="#">Companies Act 2006</a>.</p>	

# Corporate simplification






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>In the parent's individual accounts, where a subsidiary's trade is hived up, for example, at book value of net assets, part of the investment in the subsidiary may be reallocated to goodwill. The treatment most appropriate for showing a true and fair view needs to be adopted and treatments should be explained clearly.</p>	
<p>Restructuring provisions are required under FRS 12 <a href="#">Provisions, Contingent Liabilities and Contingent Assets</a> when, and only when, there is an obligation to restructure. Management intent alone is insufficient.</p>	
<p>The principle in the <a href="#">Aveling Barford v Perion</a> case means that transfers of assets from a subsidiary to a parent or fellow subsidiary at less than their fair value may not be possible where the transferor company has no distributable profits.</p>	
<p>Where the transferor subsidiary has distributable profits, any transfer of assets to a parent or fellow subsidiary below book value needs to be covered by distributable profits under the <a href="#">Companies Act 2006</a>.</p>	
<p>Companies seeking to remove dividend blocks in subsidiaries may look to the capital reduction by solvency statement procedure for private companies under the <a href="#">Companies Act 2006</a>.</p>	

# International developments/FOREX





UK businesses are increasingly looking to grow overseas revenues, for example through acquisitions. The impact of exchange rates on all international business requires consideration.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
Exchange differences on translating transactions into the functional currency of each individual entity within the group will impact on profit or loss.	
The functional currency of an overseas operation needs to be identified under IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> . Operations with a functional currency different from the parent's reporting currency need to be translated for inclusion in the group accounts. Exchange gains and losses are reported in other comprehensive income and need to be tracked.	
Goodwill and fair value adjustments in foreign operations need to be retranslated at each reporting date.	
Long-term monetary items between a parent and a foreign operation where settlement is neither planned nor likely form part of the net investment in the operation. Exchange differences on such items are recognised in profit or loss by the parent individually but in other comprehensive income in the group accounts.	
Hedge accounting under IAS 39 <i>Financial Instruments: Recognition and Measurement</i> to reduce profit and loss volatility may be possible but is subject to extensive conditions that need to be met before hedge accounting commences and during the period such accounting is applied. Disclosures are extensive.	

# International developments/FOREX





Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
Exchange differences on translating transactions into the local currency of each individual entity within the group will impact on reported profits.	
SSAP 20 Foreign currency translation permits translation of trading transactions using exchange rates in matching or related forward contracts, which can reduce volatility in reported profits.	
Foreign enterprises' accounts need to be translated into the parent's local currency for inclusion in the group accounts. Exchange gains and losses are reported in the statement of total recognised gains and losses.	
Exchange differences on foreign currency borrowings that finance or provide a hedge against foreign investments may be offset in the statement of total recognised gains and losses against differences on those investments, as an accounting policy choice. Where the offset is not applied, exchange differences on the borrowings will impact on reported profits.	

# Property lease issues





The proportion of property leases of five years or less has increased to its highest level ever. Many landlords are currently offering significant lease incentives. Tenants may also have properties surplus to their needs.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
<p>IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires provisions to be recognised when, and only when, there is a present obligation as a result of a past event, the outflow of economic benefits in settlement is probable and a reliable estimate can be made.</p>	
<p>Dilapidations terms in property leases put the lessee under an obligation to make good dilapidations. Provision is required for these costs, but only for wear and tear, etc that has been incurred at the reporting date. Measurement needs to take account of the time value of money if material.</p>	
<p>IAS 17 Leases requires operating lease expenses to be recognised on a straight-line basis over the lease term, unless another basis is more representative of the time pattern of benefits. The impact of lease incentives such as rent-free or low-rent periods, or reverse lease premiums, is spread over the lease term on a straight-line basis unless another basis is more representative of the time pattern of benefits.</p>	
<p>Leases on surplus or underutilised properties may become onerous and require provision under IAS 37 for the unavoidable lease payments. However, sub-letting may mitigate this or mean that the lease is not judged to be onerous.</p>	

# Property lease issues





Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>FRS 12 <i>Provisions, Contingent Liabilities and Contingent Assets</i> requires provisions to be recognised when, and only when, there is a present obligation as a result of a past event, the outflow of economic benefits in settlement is probable and a reliable estimate can be made.</p>	
<p>Dilapidations terms in property leases put the lessee under an obligation to make good dilapidations. Provision is required for these costs, but only for wear and tear, etc that has been incurred at the reporting date. Measurement needs to take account of the time value of money if material.</p>	
<p>UITF 28 <i>Operating lease incentives</i> requires the impact of lease incentives such as rent-free or low-rent periods, or reverse lease premiums to be recognised over the shorter of the lease term and the period until the first rent review at which rentals are adjusted to the prevailing market rate. Recognition is on a straight-line basis unless another basis is more representative of the time pattern of benefits.</p>	
<p>Leases on surplus or underutilised properties may become onerous and require provision under FRS 12 for the unavoidable lease payments. However, sub-letting may mitigate this or mean that the lease is not judged to be onerous.</p>	

# Employee remuneration





Innovative and tax-efficient ways to incentivise and remunerate employees, such as share options and equity-linked cash rewards, have accounting consequences. Existing out-of-the-money options may also be renegotiated.

Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

IFRS issues	
<p>If employees receive rights to equity instruments, including options, or cash payments linked to the company's share price or equity value, these are share-based payments and are covered by IFRS 2 <a href="#">Share-based Payment</a>. The value of awards impacts on profit or loss. Disclosure requirements are extensive.</p>	
<p>Measuring awards will often necessitate involvement of valuation experts. Vesting conditions linked to share prices or equity value ("market conditions") and non-vesting conditions (eg membership of SAYE scheme) are included in the measurement, requiring more sophisticated valuation models. Early planning is needed.</p>	
<p>For equity-settled awards, failure to meet a market condition has no impact on the accounting. Failure to meet a non-vesting condition is treated as a cancellation, leading to an accelerated charge. Failure to meet a non-market vesting condition (eg continued employment) leads to reversal of charges previously recognised.</p>	
<p>Where awards are modified, eg by reducing the option exercise price, this requires a new valuation and typically leads to additional charges against profit or loss.</p>	

# Employee remuneration






Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>If employees receive rights to equity instruments, including options, or cash payments linked to the company's share price or equity value, these are share-based payments and are covered by FRS 20 <i>Share-based Payment</i>. The value of awards impacts on reported profits. Disclosure requirements are extensive.</p>	
<p>Measuring awards will often necessitate involvement of valuation experts. Vesting conditions linked to share prices or equity value ('market conditions') and non-vesting conditions (eg membership of SAYE scheme) are included in the measurement, requiring more sophisticated valuation models. Early planning is needed.</p>	
<p>For equity-settled awards, failure to meet a market condition has no impact on the accounting. Failure to meet a non-vesting condition is treated as a cancellation, leading to an accelerated charge. Failure to meet a non-market vesting condition (eg continued employment) leads to reversal of charges previously recognised.</p>	
<p>Where awards are modified, eg by reducing the option exercise price, this requires a new valuation and typically leads to additional charges against reported profits.</p>	

# Acquisition opportunities


There may be good buys at low prices for businesses seeking to expand. Earn-outs can reduce or spread the cash cost of buying businesses.

Affects balance sheet  
Affects reported profits  
Affects disclosures  
Affects narrative reporting

IFRS issues	
<p>The consideration transferred to vendors to acquire a business is measured at its fair value on the acquisition date under IFRS 3 <b>Business Combinations</b>, even if settlement occurs later or is conditional (eg on meeting post-acquisition profit targets). Acquisition costs are expensed immediately.</p>	
<p>Liabilities for contingent consideration are remeasured until settlement, with changes impacting on profit or loss. Contingent consideration classed as equity is not remeasured subsequently, even if the conditions for its issue are not met. Goodwill is not adjusted.</p>	
<p>IFRS 3 requires acquired intangible assets to be recognised separately from goodwill and measured at fair value, even if the acquirer does not intend to use those assets. This usually requires the involvement of valuation experts.</p>	
<p>Bargain purchases may give rise to ‘negative goodwill’, which is recognised immediately in profit or loss.</p>	
<p>IFRS 3’s disclosure requirements for business combinations are extensive. Full disclosures are also required in half-yearly reports prepared under IAS 34 <b>Interim Financial Reporting</b>. The business review should explain the impact of the acquisition of the company’s business.</p>	

# Acquisition opportunities

Affects balance sheet  
 Affects reported profits  
 Affects disclosures  
 Affects narrative reporting

UK GAAP issues	
<p>FRS 7 <b>Fair Values in Acquisition Accounting</b> requires the cost of acquisition to be measured at fair value. Fees and similar incremental costs incurred directly in making the acquisition are included in the cost of investment, and hence in goodwill.</p>	
<p>Where purchase consideration is contingent on future events (eg on meeting post-acquisition profit targets) the cost of acquisition should include a reasonable estimate of the fair values of amounts expected to be payable in future. Subsequent revisions to contingent consideration are adjusted against goodwill.</p>	
<p>FRS 10 <b>Goodwill and Intangible Assets</b> requires acquired intangible assets to be recognised separately from goodwill and measured at fair value where they are separable and can be measured reliably (otherwise they are subsumed within goodwill).</p>	
<p>Bargain purchases may give rise to negative goodwill, which is recognised in the balance sheet and generally released to the profit and loss account as acquired non-monetary assets are recovered through depreciation or sale.</p>	
<p>FRS 6 <b>Acquisitions and Mergers</b> sets out extensive disclosure requirements for business combinations. The business review should explain the impact of the acquisition of the company's business.</p>	

# Contact us

---

If you would like to speak to one of our team please contact your local Grant Thornton office directly:

**Belfast**

T 028 9031 5500

**Birmingham**

T 0121 212 4000

**Bristol**

T 0117 305 7600

**Bury St Edmunds**

T 01284 701271

**Cambridge**

T 01223 225600

**Cardiff**

T 029 2023 5591

**Edinburgh**

T 0131 229 9181

**Gatwick**

T 01293 554130

**Glasgow**

T 0141 223 0000

**Ipswich**

T 01473 221491

**Kettering**

T 01536 310000

**Leeds**

T 0113 245 5514

**Leicester**

T 0116 247 1234

**Liverpool**

T 0151 224 7200

**London**

T 020 7383 5100

**Manchester**

T 0161 953 6900

**Milton Keynes**

T 01908 660666

**Newcastle**

T 0191 261 2631

**Northampton**

T 01604 826650

**Norwich**

T 01603 620481

**Oxford**

T 01865 799899

**Reading**

T 01189 839600

**Sheffield**

T 0114 255 3371

**Slough**

T 01753 781001

**Southampton**

T 023 8038 1100



© 2011 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd ('Grant Thornton International'). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

This publication has been prepared only as a guide. No responsibility can be accepted by us for loss occasioned to any person acting or refraining from acting as a result of any material in this publication.

[www.grant-thornton.co.uk](http://www.grant-thornton.co.uk)