



Grant Thornton

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# Accounting Advisory

Financial Accounting and Advisory Services



# Accounting Advisory

Today's rapidly changing landscape can be a challenging and complex time for organisations to ensure compliance with accounting standards and financial reporting regulations.

At Grant Thornton we work with companies to develop commercial and practical solutions that comply with financial reporting standards and legislation. To address the challenges of corporations whilst meeting the expectations of stakeholders within the relevant regulatory environment, we leverage and combine our accounting knowledge with technological experience to deliver sustainable financial reporting solutions.

Grant Thornton's Accounting Advisory team can provide valuable assistance in the following areas:

- complex accounting solutions;
- new standard implementation; and
- transaction related services.

Our unrivalled deep technical accounting knowledge services Multinationals (MNCs), groups planning on listing and large listed and unlisted companies/groups.



# Complex accounting solutions

As organisations face increasingly complex reporting requirements and regulations we are here to ensure that all your accounting solutions are supported and implemented.

## Accounting proposition/technical papers

We use our in-depth knowledge of accounting standards as well as our awareness of how companies practically apply areas, where there is more judgement involved, to prepare detailed accounting papers for clients. Areas we specialise in are share options, business combinations, financial instruments and revenue recognition.

## Financial instrument accounting

We assist clients with accounting for complex financial instruments such as derivatives (swaps, collars, floors, future contracts) and also advise clients in relation to hedge accounting.

## Financial reporting workshops.

With an obligation for all accountants to maintain CPD hours and a desire by the company to ensure that courses attended are of relevance, we provide customised financial reporting workshops under Irish/UK GAAP, IFRS and US GAAP. These workshops are specific to the issues encountered by the client and contain practical examples/guidance on the application of various standards.

## Distributable reserves

We can advise on ways of resolving existing impediments or preventing future obstacles to distributing reserves out of companies or indeed assist in creating a new structure that will enable reserves to be distributed.

## Group structure simplification

Over time group structures can become difficult and complex as companies set up for a particular reason, outlive their purpose. Prior to liquidating these companies there may be certain accounting issues that need to be addressed, for example, forgiveness of inter-company balances or dividend traps. Our team can assist with this process.



### CLIENT A

We currently act as retained accounting advisor to companies in the pharmaceutical, shipping, technology and packaging industries. As retained advisor for the pharmaceutical company we:

- deliver quarterly financial reporting workshops under both US GAAP and IFRS;
- respond to various technical accounting queries on an ad-hoc basis;
- coordinate the valuation and related accounting of a financial instrument for the purposes of year-end reporting; and
- carried out a project to assist with the transition to the new revenue standards IFRS 15 and US GAAP ASC 606.

# New standard implementation

New standards and conversions can be a very challenging and demanding time for any organisation. Our experienced team puts a focus on making sure you successfully implement and adapt to the key changes.

## New standard implementation

As amendments are made to existing standards and new standards are implemented, we can assist clients by performing a detailed impact assessment for the relevant area and recommending where systems/accounting changes are required. This will be particularly pertinent and critical for example in the area of the new revenue, financial instruments or leasing standards over the coming months.

## GAAP conversions

The introduction of new UK and Irish GAAP, FRS 101 and FRS 102, proved a challenging time for a number of our clients, predominantly large multi-national groups.

Our Accounting Advisory team can assist with conversion from:

- Irish/UK GAAP to IFRS/US GAAP;
- US GAAP to IFRS or Irish/UK GAAP; or
- IFRS to Irish/UK GAAP.

The conversion could relate to first time adoption of a particular framework or continuation of preparation of statutory accounts on a different basis to consolidated financial statements of a parent, as dictated by local statutory requirements.

### CLIENT B



#### Impact analysis

The group was predominantly impacted by:

- recognition of lease incentives;
- definition and valuation of investment property;
- measurement of intra-group balances; and
- determination of functional currency.

#### Modelling and assessment

A detailed review was performed following the identification of the areas of impact. Any necessary adjustments were quantified and the effect on the primary statements was modelled. Metrics and KPIs were also updated to capture the relevant information going forward.

#### Business impact assessment

We advised the group where any changes to existing processes would be required. It was crucial at this stage to get the involvement of the IT department, where it was identified that updates were required to systems to capture the relevant information going forward.

#### Implementation

The final stage in the process was to prepare the draft financial statements, including the restatement of the prior year opening balance sheet and comparatives. We worked with the group to ensure we had provided enough documentation to obtain approval from their external auditors.

#### Shareholder management and communication

We followed the process through to the end, including liaison with the auditors, until the financial statements were signed by the board of directors.

# Transaction related

As commercial decisions are taken, the accounting impact must also be considered preferably as early in the process as possible.

Some of the areas we have expertise assisting clients in are as follows.

## IPO and carve out accounting assistance

When a company is planning on listing, there are a number of accounting issues that need to be considered.

As your advisor we can help you with formal documentation of accounting policies, treatment of certain transactions as well as preparation of certain historical financial statements under IFRS/US GAAP.

## Deal structure

We can provide advice in relation to structuring a certain deal which achieves both the commercial intention and an acceptable method of accounting for the transaction.

## Proforma consolidations

Where a group/company is about to acquire another group/company, it is sometimes necessary and/or helpful to prepare proforma consolidated results to show the impact of the transaction on the existing group. Our team have experience of preparing these proforma financial statements.

## Purchase price allocation accounting

Our Accounting Advisory team can assist an acquirer to identify intangible assets acquired which are subsequently valued by a separate team within the firm.



### CLIENT C

Recently, we assisted a medical devices group to prepare accounting papers and restate historical information under IFRS in preparation for an IPO.

Our scope was to:

- assist with accounting policy formulation through the authoring of accounting memoranda which articulate management's perspective on the accounting for transactions within the business;
- review accounting memoranda prepared by management for compliance with IFRS and company law;
- review draft financial statements, both at an individual company and consolidated level for prima facie compliance with the disclosure requirements of IFRS;
- support with the preparation of the F pages and supporting schedules for the inclusion in listing particulars; and
- respond to any comment letters returned from the SEC.

# Financial Accounting and Advisory Services (FAAS)

The Grant Thornton FAAS department is a specialist team who primarily service complex large scale and Multinational Companies (MNCs), focusing on being a centralised point of contact for their global requirements. Our experienced and multicultural teams are experts in areas of Global Compliance and Reporting (operating through our Centre of Excellence in Ireland), Effective Financial Reporting (EFR), Accounting Advisory and Business Process Outsourcing (BPO).

Key management contacts for our local team include:



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