



ANNUAL REVIEW
YEAR END JUNE 2010

www.dfk.com

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DFK INTERNATIONAL EXECUTIVE OFFICE RUSSELL SQUARE, LONDON, UK

President's Statement



Mike Tovey

The mission of DFK International is to aid members to attract and retain high quality clients. To achieve this, it must be a vibrant growing organisation that actively encourages and supports its members to deliver an excellent service to clients.

Last year I identified quality of service as a key strategy for my term of office with a particular focus on:

- *Transparency about member firm skills*
- *Effective communication*
- *On time delivery of work*

These elements are picked up in a new Quality Framework to help us with reviewing service quality. The framework sets out the criteria for an annual assessment of how well member firms have met their DFK obligations. We are also examining new ways of capturing information about the performance of member firms when undertaking referred work. I remain committed to gaining improvements in service quality.

DFK's success is highlighted by its growth. I am delighted to report that the association has shown consistent growth over the last ten years and, against the background of slow recovery from global recession, fee income generated by members grew by 10% in the year to December 2009 to more than US\$1bn. DFK is now firmly established as one of the top 10 international accounting associations.

This success has not happened by accident, but reflects the commitment of many dedicated partners in member firms worldwide to their clients and to helping the Board achieve the strategic objectives that we have set for DFK. I am very grateful to them for their input.

The last year has seen a number of changes, both in our Board and in the international Executive Office. Our new Board members were Stephan Brune (Germany), Johan Daams (Netherlands) and Santiago Pacheco (Mexico). In recent years, we have sought to expand the membership into Central, Eastern Europe and other emerging economic

areas. We have gained high quality new members in the countries concerned and they are making a significant contribution to the association.

We also have a new Executive Director. I must record my thanks to Kevin Arnold for the great contribution he made to the association but in Martin Sharp I am confident we have a worthy successor. Martin has made an excellent start to his new role and brings considerable international experience to DFK.

Another sign of the success of DFK is increased attendance at conferences and participation in the various special interest committees – including audit, tax, marketing and so on. DFK has become more than just an association for accountants with some international clients. Its members have a growing

from working together within national boundaries and by sharing experience and resources. These national groups account for some 84% of the fee income of DFK member firms and they are developing well. The larger groups have their own executive officers who help to ensure that development plans are implemented.

Earlier this year we held a bi-annual meeting of the chairmen of the national groups at which the desire to address issues ranging from service quality to the national and international marketing of DFK was self evident. Equally encouraging was the commitment from those attending to actively support the development of new national groups in other countries.

Whilst I am delighted by the growth of DFK during the last year, I am only too aware of the importance of service

DFK's success is highlighted by its growth. I am delighted to report that the association has shown consistent growth over the last ten years and fee income generated by members grew by 10% in the year to December 2009 to more than US\$1bn.

commitment to the active development of international business opportunities and a sharp focus on international business issues rather than simply on domestic matters. This can only serve to enhance co-operation between member firms to meet client needs better.

In my own firm, for example, we have seen how a stronger international association gives us added credibility when bidding for work from major international organisations (such as IATA – the International Air Transport Association) and the increased opportunities that arise from this.

Membership of DFK grew during the year and we welcomed new members in Puerto Rico, Singapore, Switzerland, Thailand and the UK.

A key element of our strategic plan is to support the development of national groups in countries where DFK has several member firms so that members can benefit

quality to our clients. Getting this right is a particular passion of mine and it is a matter I highlighted in my report last year.

As I look ahead, I do not have a crystal ball into which I can see the future. However, as DFK continues to grow in strength as an international association, I know that the commitment of its members means that we will be able to take advantage of the many opportunities that will be open to us. I look forward to reporting our future success.

Mike Tovey
President
DFK International
London, UK

Governance and Constitution

DFK International is an international association of independent accounting firms and business advisers. The association is a non-profit making incorporated organisation (Vereniging) in The Netherlands and the Executive Office is located in London.

The association is a members' association and is governed by a Membership Agreement. There are two classes of member, 'full' and 'correspondent'. The association is governed by a Board of Directors who elect an Executive Committee. The Board of Directors currently has 19 members who are elected from 10 constituencies, plus the Executive Director. The Board of Directors meet once a year and the Executive Committee meet twice a year. The Executive Committee comprises a President, Deputy President, Immediate Past President, three regional Vice-Presidents and two other Board members. The President, Deputy President and Regional Vice-Presidents usually serve for three year terms. The President chairs the meetings of the Executive Committee and the Board of Directors.

The Executive Office of DFK International is headed by an Executive Director, who is supported by a permanent staff.

Decisions involving the association's budget, membership agreement, and the admission and termination of members are made by majority vote of the Board of Directors followed by majority vote of the members. Each full member country has one vote.

Firms seeking membership of DFK International are asked to submit a written application which covers both business and technical competencies. Applications are reviewed against the association's Criteria for Membership and if the application is proceeded with, a partner in a member firm visits the applicant firm and conducts interviews and performs a technical review. The reviewing partner prepares a written report recommending the election of the applicant. A process of election by the Board of Directors and the members then follows.

Any member may at any time make a submission that it is desirable that another member should cease to be a member. The board, having studied the submission and made suitable enquiries may remove the firm from membership.

DFK International has decided that it wishes to continue to be an association and not to be classified as a 'network'. However, certain DFK member firms that continue to include DFK in their name will be classified by regulators as 'network firms'. As a result, there is a small, identifiable grouping of 'Network Members' within DFK. These firms are required to be independent of the financial statement audit clients of other firms in the DFK network grouping.

Board of Directors

- * **Mike Tovey** (UK)
President
- * **Scott Hazy** (USA)
Deputy President
- * **Ray Mack** (Canada)
Immediate Past President
- * **Linda Kachiu** (USA)
*Vice President
The Americas*
- * **Mark Lamb** (UK)
*Vice President
Europe, Middle East & Africa*
- * **Uday Chitale** (India)
*Vice President
Asia Pacific*
Stephan Brune
Germany
Johan Daams
Netherlands
- * **Demetris Demetriou**
Cyprus
Johan Dens
Belgium
Bryce Eidsness
Canada
Antonio Fontana
Italy
Yves-André Geismar
France
Anil Khanna
India
Ooi Chee Kun
Malaysia
Santiago Pacheco
Mexico
- * **Robert Shelton**
Australia
Bernhard Winterstetter
Germany
Regina Zwahlen-Gyarmathy
Hungary
Martin Sharp
Executive Director

* Executive Committee



Martin Sharp

Executive Director's Report

Despite the current global economic conditions, DFK International continues to go from strength to strength. The last year has seen continued growth in the association's membership, representation and number of officers, with fee income of all members in the association passing US\$1bn for the first time. This landmark achievement is testament to the success of member firms in gaining and retaining clients in extremely challenging economic conditions.

WORLD STATISTICS – DFK INTERNATIONAL

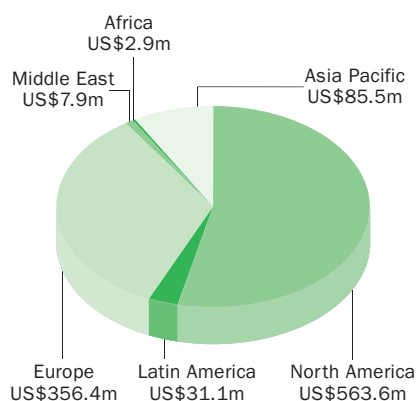
WORLD STATISTICS 2009

Data	2009
Fee Income (US\$m)	1,047
Countries	87
Offices	382
Partners	1,222
Total Staff & Partners	9,957

Inevitably, circumstances vary significantly in different regions and countries, with some experiencing strong growth and others slight declines. Moreover, exchange rate variations can mask the true picture, with some firms sustaining income in local currency while showing a drop in US\$ terms. Nevertheless, an overall increase in fee income of 10% is very impressive and DFK International continues to move up the league table of associations of independent accountancy firms. The growth in membership is testament to the hard work of National Groups and my predecessor as Executive Director, to whom I pay tribute for helping to develop the association so successfully during his time at the helm.

During my first few months in office I have had the good fortune to meet a number of partners from members firms, whether at conferences, regional meetings or when they have called into to the Executive Office while visiting London. I have been greatly impressed by the friendly and helpful ethos of DFK, which seems to pervade

FEE INCOME BY REGION



all cultures and regions of the world. It is clear that the strength of the association lies in the bonds that have been forged over many years and the mutual trust that clearly exists between so many firms. This is underpinned by a strong commitment to professionalism that ensures firms can engage in international business with confidence and faith.

The year has seen new firms joining us, and inevitably a few who have moved on, either through mergers or in a couple of instances due to local factors. Some regions and National Groups now have an excellent level of representation and are in a position to consolidate their membership base, but in other areas there remains potential for further growth, especially in China, India, Africa and Eastern Europe. We continue to receive frequent enquiries about membership and while many do not meet our requirements for quality or are from areas where we already have well established membership, we have a number of applications under active consideration. In addition to growing our membership, I recognise the importance of providing valuable services to our members and maintaining our focus on quality standards across the association. Mostly these benefits, very often networking and exchange of best practice, are provided through the medium of international, regional and national conferences. In this context, once again I can report that

conferences held throughout the last year have attracted record numbers of delegates.

While the Executive Office in London and Executive Officers in the Regional and National Groups continue to do all they can to support members, it is the commitment and dedication of volunteer partners and staff in member firms that continues to provide the bedrock of the association. I have been enormously impressed by the time and effort that Board and Committee members devote to DFK whether at National Group, Regional or International level.

The Strategic Plan for DFK International, which was approved last year by the International Board of Directors, continues to guide us through these turbulent times as we seek to accomplish our mission of aiding members to attract and retain high value clients. We remain focused on our strategic objectives of raising the level of confidence between members; creating more opportunities to bring members closer together to enhance the benefits of membership; supporting the development of DFK National and Regional Groups; enlarging our membership in China and other emerging markets; and recognising the particular requirements of the Network regulations and minimising the risk of a liability claim against the association or any of its members.

In addition to pursuing our strategic objectives, other significant activities during the year included the continuation of the programme to register the DFK trademark around the world, development of a new website under the direction of the International Marketing Committee, and a review of the concessionary fee arrangements. These and other initiatives are aimed at keeping DFK relevant to the member's needs in the 21st century as we strive to stand out from the crowd.

Martin Sharp
Executive Director
DFK International
London, UK

Regional Reports

The Americas



Linda Kachiu, Vice President

While the current global economic climate continues to create challenges, The Americas region has not only held its ground but has also strengthened and grown. Leadership development, specialty services, and new member firm expansion have been the mainstay of activities for the region.

Common themes and sentiment within the region are a desire for greater

existing correspondent member firms in their action plans to become full member firms within a five year timeframe.

Another regional group, DFK CEPCA, which stands for DFK Central America, Panama and the Caribbean, continues to strengthen its relationships, joint training and practice management ideas through a variety of meeting venues, including at least one annual in-person

This national group continues its success with well developed committees that exchange technical expertise and practice management information related to particular practice or specialty areas. They held a newly developed leadership program for managers, which will be continued in future years.

DFK Canada held a two day Annual Conference in Edmonton, Alberta this past fall. Over 60 partners participated in practice management discussions, and trainings on new international professional standards and the national group's website.

UNITED STATES OF AMERICA

Despite the economic environment, 26 member firms in 52 cities across the United States actively participated in a variety of programs developed and sponsored by DFK/USA. This national group continues its active recruiting of suitable member firms in strategic metropolitan areas.

Four in-person conferences were held in the past year. The Multi-Discipline Conference on tax, assurance and other technical areas for partners and managers was held in Fort Worth, Texas. The Managing Partners Conference in Phoenix, Arizona was outstanding with two days of facilitated breakout sessions.

DFK/USA has very strong committees, which relate to technical practice areas (such as SEC or Tax) and practice management areas (such as Human Resources or Marketing). Three new committees were added: State and Local Tax, International Tax, and Healthcare. The committees meet primarily by conference call, with the occasional in-person meeting if the opportunity should arise.

The Americas looks forward to continued progress and success as the economic climate provides new opportunities and challenges.

Linda Kachiu

Director

Zainer Rinehart Clarke

Santa Rosa, California

The Americas region has not only held its ground but has also strengthened and grown.

communication among the firms and for sharing of information, resources and opportunities for joint training and development. Each regional or national group within The Americas has used in-person, video and audio conferences as a means to achieve the connectivity, sharing of resources and firm development.

The 2010 DFK North American Annual Conference held in San Juan, Puerto Rico was very successful with over 90 delegates from not only North America, but also from other parts of the Americas, Asia Pacific and Europe.

LATIN AMERICA

A new committee was formed this year, the Americas Development Committee (ADC) and is chaired by Santiago Pacheco (Mexico). The committee's purpose is to develop and implement strategies for broadening the geographic coverage of DFK International through the recruitment of quality member firms in the Caribbean, Central America, and South America, while strengthening, where necessary, the quality of its existing membership in the region; to enhance communication amongst all member firms throughout the Americas; and to enhance the value of DFK International for member firms in the region.

The ADC has representation from Canada, the United States, and the Latin American countries of Mexico, Panama, and Brazil. The committee has been active in identifying strategic locations for new member firms, in addition to assisting

conference in the region.

Two new member firms in Colombia and Puerto Rico were admitted to the association in this past year, and both firms participated in at least one of the regional conferences.

Mexico City was the venue for a very successful DFK Latin American Conference last fall. The program featured a range of topics from respected experts in practice management issues.

DFK Mexico is very active in its pursuit for quality firm expansion in critical geographic locations, along with relationship development and sharing of best practices at an annual DFK Mexico conference.

CANADA

DFK Canada was ranked the largest association in a publication of Canada's Top Accounting Associations by volume with over 160 partners, 601 staff and 31 offices. With 15 firms in DFK Canada, they are the only association that has representation from coast-to-coast in every province in Canada. Also, four of the member firms are ranked in the top 30 accounting firms in Canada.

DFK Canada participated in a staff placement last summer with DFK Australia New Zealand. A chartered accountant from the Edmonton member firm worked at the Melbourne, Australia firm from the end of July to mid-October. This is one of many benefits experienced by the association's members.

Regional Reports

Europe, Middle East and Africa



Mark Lamb, Vice President

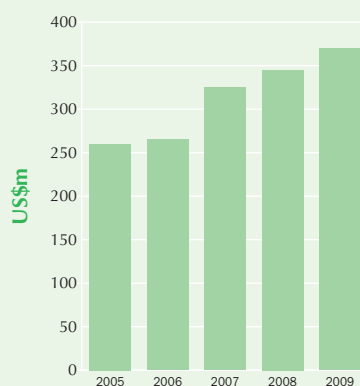
The European economy has had a difficult year and the region faces major challenges in future months. The International Monetary Fund has predicted that Europe will continue its slow recovery from the worldwide

A central theme for member firms of DFK is working together and we have addressed this at a number of levels.

recession although the rate of recovery will vary from country to country. There are also many political and economic issues in Africa and the Middle East.

GROWTH

FEE INCOME 2005 - 2009



Against this background, in my first year as Vice President for DFK Europe, Middle East & Africa ("EMEA") I have been pleased that member firm fee income has risen by more than 14% to US\$367m.

This is an excellent indicator of the strength of the DFK firms in the regions and I am looking in particular to help them develop more international work opportunities.

OBJECTIVES

For my term as Vice President, in conjunction with the European Executive Committee ("EEC"), I have developed a set of clear goals and objectives that will drive activity and

which reflect the priorities established in the DFK International Strategic Plan. They provide the EEC with a clear focus so that the time and efforts of those involved in the development of the EMEA region can be effectively directed.

Our objectives include:

- Strengthening the National Groups in the region
- Developing resources in the Middle East and Africa
- Identifying opportunities for improving service delivery to clients
- Increasing awareness of DFK amongst our clients and our staff

WORKING TOGETHER

A central theme for member firms of DFK is working together and we have addressed this at a number of levels. Most importantly member firms have been co-operating to deliver services to clients.

MEETINGS AND SEMINARS

Members share ideas and experiences at conferences and other meetings. The European Members' Meeting, held in Lyon in January 2010, was attended by a record number of delegates whose active participation demonstrated their commitment to the development of the region.

For younger professionals, a well attended 2nd European Young Professionals Conference was held in Cyprus. This proved to be a good opportunity for delegates to meet colleagues from other member firms and begin the working relationships that we consider to be so important to the effective delivery of cross border services to clients. Whilst the conference combined both technical and personal skills sessions, there was a strong focus on business development skills. This reflects our desire to help member firms develop business advisers, rather than simply good auditors or tax advisers.

Developing business together was at the heart of a successful seminar on transfer

pricing that was supported by member firms in Belgium, Germany and the Netherlands. The seminar, which was held in Düsseldorf, was attended by 67 senior executives of businesses with international operations.

NEW MEMBERS

During the year, I was delighted that we gained new members in Sweden, Switzerland and the UK. We are actively looking for good quality new member firms and I look forward to announcing further expansion of our membership so that we build on the resources (as at September 2009) in the EMEA region of:

Member firms	93
Offices	170
Partners	463
Professional staff	2,383
Total personnel	3,528

CONCLUSION

The EMEA region is a major economic area and I know there are many untapped opportunities for member firms to grow through the provision of services to international businesses. I am committed to supporting the development of these opportunities and I look forward to reporting future successes.

Mark Lamb

Partner

Chantrey Vellacott DFK

London, UK

Regional Reports

Asia Pacific



Uday M. Chitale, Vice President

As I write this report, there seems to be no respite from the overall economic gloom across the globe, particularly the European region. Just as we thought recovery was gathering some momentum albeit gradually, looming sovereign defaults in Greece and concerns about unsustainable public debt in other EU states like Spain, Portugal, Ireland, Hungary and the resultant panic has had a lingering negative impact on the market and business sentiment everywhere. Uncertainty in the UK following a hung electoral verdict hasn't helped either. Markets throughout Asia Pacific region suffered sizeable losses through the past week (mid-May) and the outlook for foreign investment inflows into major economies of China and India is not very encouraging in the near to medium term. For us in India this

As noted in my last year's report, the global economic meltdown has opened up new opportunities for accounting and auditing profession in monitoring and reporting on compliances by business enterprises big and small. The Enron scandal which triggered a wave of rules to fix corporate governance gaps and regulations to tighten the accounting and auditing profession actually created new openings in the area of risk assessment and control, internal auditing and varied assurance services to provide comfort to lenders, insurers and other stakeholders and regulators. Rules and regulations on the lines of SOX in USA have been introduced in many countries of our region. To equip members to effectively deal with the complex regulatory framework and to benefit from emerging opportunities in the above fields of

Implementation of IFRS is going to be a long-term and complex exercise in India and other parts of our region and this is potentially a great opportunity for members in countries where IFRS is well established.

There has been an unfortunate development in India arising out of the professional regulatory body bracketing all independent member firms together as a group. This has adverse revenue implications for member firms in terms of losing out on audit work of government owned enterprises. As a result the Indian national group has been disbanded and membership of some member firms is being restructured.

Overall, the membership in the region has remained static with no significant entry or exit. DFK has presence in 18 countries of the region. Our efforts are to enlist quality firms in Sri Lanka, Bangladesh and unrepresented cities of China and India.

The regional executive committee met twice during the year: in Beijing, China in the first week of November 2009 and in Kuala Lumpur in the 2nd week of March 2010. The 19th annual regional partners' meeting and conference was held in Beijing in November 2009. The conference was very well attended including a number of delegates from other regions. The hosts led by Ms. Xu Jun did a commendable job of organizing the event complete with business sessions covering contemporary topics and enjoyable social activities and of course, great food! The 2010 regional conference is slated for mid-November at Perth, Australia and I look forward to meeting many of you there.

Uday M. Chitale
Partner
M. P. Chitale & Co.
Mumbai, India

The global economic meltdown has opened up new opportunities for accounting and auditing profession in monitoring and reporting on compliances by business enterprises big and small.

scenario is somewhat disappointing and not something we expected because of 10%+ industrial production growth recorded during two consecutive quarters and GDP growth estimated to exceed 8.5% per World Bank outlook. In China, after massive infusion of bailout funds by the government to augment domestic demand which blunted this severity of impact of drying exports to US and Europe, the manufacturing sector and blue collar job market is now under stress. This situation underlines the fact that today no single territory operates in isolation for long, without being caught and affected by developments around the world. With such a bleak and confusing backdrop the professional accountants will inevitably feel the heat in the coming months as businesses adopt a wait and watch stance in respect of their expansion and investment plans.

work, the regional executive committee has formed a technical sub-committee which is exploring ways to achieve these objectives. A very successful training programme was organized in Beijing in July 2009 with the guidance of our New York based member and it is our intention to conduct similar sessions in future.

Some of our jurisdictions are soon going to implement the international financial reporting standards. IFRS regime begins in India next year when large listed public companies and other public interest entities such as banks and insurance companies will report their financials under IFRS. It is a huge shift for Indian businesses to move from the current Indian Accounting Standards to IFRS. DFK member firms in India have been advising their clients in this regard. Our members based in Mumbai and Hyderabad have conducted IFRS awareness workshops and training sessions for clients and staff.

International Committees



Cary Rodin



Howard Weiner



John Kmetz

TAX COMMITTEE

The DFK International Tax Committee has had a robust start in calendar year 2010. It has expanded significantly to 11 active members which will allow the Tax Committee to generate more planning ideas and to divide responsibility for projects over a greater number of people. The Tax Committee will meet six or seven times during the next 12 months as face-to-face and in teleconference.

The Tax Committee believes that both the U.S. and European governments will continue to increase their need for tax revenues despite the downturn in the economy over the past two years. This will mean more aggressive approaches to tax revenue generation by the tax authorities. The Tax Committee has identified several areas that it wishes to concentrate on this coming year. These include:

- 1. Transfer Pricing:** *This issue remains a major potential source of new tax revenue for many countries throughout the world. The major multinationals are no longer the only target for the tax authorities. Many mid-sized companies are being challenged on their transfer pricing policies. The Tax Committee has begun a new initiative with DFK tax advisers skilled in transfer pricing matters.*
- 2. Holding Company Structures:** *As more foreign investment is made globally, tax efficient structures are essential. The Tax Committee will be focusing on providing DFK member firms with suggestions for holding company structures through the DFK website.*

Additionally, the Tax Committee has revised a new DFK tax marketing brochure, as well as a new transfer pricing brochure. These will be distributed in the near future. These brochures reference the DFK website so clients can get contact information about a DFK tax person who may be available to assist them.

We anticipate a very productive year in the international tax area.

Cary Rodin

Chairman

International Tax Committee

ASSURANCE COMMITTEE

In the real estate industry the three most important factors for a potential business are location, location, location. For assurance services, those factors are quality, quality, quality. Our assurance committee has continued its efforts to improve the quality of our organization.

Quality of members

During the past year, the committee has taken a more active role in the admission of new members and monitoring existing members. We have assisted in the revision of the annual quality control questionnaire and have identified areas where we believe additional oversight is needed.

Quality of resources

The increase in technical pronouncements and the expansion of the association has placed even more pressure on our members. This is especially evident for members in countries that are still developing accounting and auditing standards or are transitioning to international ones.

The committee has reviewed the technical information of the private members section of the Association's website. We are currently revising outdated documents and developing additions that will enhance our members' practices.

Quality of communication

We believe that our association will benefit with better technical communications among the members.

To that end, we have begun to publish a bi-monthly newsletter that will provide an update on worldwide technical matters. We are also developing an inquiry procedure that will allow members to request technical assistance.

Our committee, with members from eight countries, is committed to increasing DFK's quality. Let us know how we can help you.

Howard Weiner

Chairman

International Assurance Committee

MARKETING COMMITTEE

Officially formed in June 2009 at the Amsterdam meeting, the DFK International Marketing Committee (IMC), while still in its infancy, has accomplished all of its initial objectives and, consequently, is off to a very auspicious start.

Members of the IMC, who collectively represent all DFK regions, have been selected. We have also defined the role and primary objectives of our committee, which we documented in the 2009 Annual Review. Our quarterly newsletters will update the DFK members as to what the IMC is doing, and what we have accomplished during our monthly conference calls.

The IMC has two priorities:

- To redesign the current website, rethink its content, and look to launch the new site in the summer of 2010
- To share marketing and business development tactics with DFK members that are currently being deployed by members of the IMC.

Given the important role and far-reaching ramifications of these priorities, we devoted our April issue of the newsletter to these initiatives.

John Kmetz

Chairman

International Marketing Committee

Working with Clients

Peters, Schönberger & Partner GbR – Germany

MAHA is a substantial engineering and construction firm based in Kempten, Germany, employing over 1,000 people across 17 subsidiaries and affiliates worldwide. The company is one of the world's largest manufacturers of vehicle testing equipment, with customers including government departments, motoring groups and vehicle manufacturers (such as Audi, BMW, Mercedes-Benz, Porsche, Volkswagen and many others).

Since 2002, MAHA has been active in the Australian market through a local dealer located in Brisbane. In recent years, MAHA has acquired a number of their local affiliates around the world and in November 2009, decided to proceed with buying out the Australian operation.



DFK Hirn Newey, Australia were contacted by Peters, Schönberger & Partner GbR (PSP) advising that they had referred their client to them for assistance in this matter. PSP explained that MAHA is a significant client for them and also for DFK, as not only are PSP the auditors of the MAHA Group in Germany, but they also utilise the services of DFK member firms in several countries around the world, for the auditing and taxation affairs of other MAHA subsidiaries.

Following the referral, DFK Hirn Newey commenced immediate discussions with the German Head of Subsidiaries for MAHA. Once the project scope was properly established, they then proceeded with the process of liaising with the local dealer, his accountants and the lawyers for both parties, to facilitate the completion of the acquisition.

The project was finalised in March 2010, with the MAHA directors flying out to Australia to sign the purchase documentation. They expressed their gratitude for DFK Hirn Newey's assistance in making it a smooth transition and their confidence that all the necessary steps had been taken to ensure the future success of their new acquisition.

One of the directors further commented how happy he had been dealing with DFK and with the level of service that his company had received over the years. In particular, having access to the worldwide association of members had given him great confidence in DFK's ability to service MAHA's needs as they continue to expand globally.

DFK Hirn Newey was proud that PSP had the confidence to refer this major client to them and were delighted that they were able to bring the matter to finalisation in a timely manner, and to the satisfaction of the client, thereby once more demonstrating how capable DFK is in undertaking global assignments.

Chantrey Vellacott DFK – UK

In today's competitive markets, construction services companies are constantly striving to differentiate themselves from their competition.

Indeed, Mace Macro has done just that. As a world leader in property consulting and facilities management, this London-based company recently expanded its reach by opening offices throughout the United States and in Canada.

With their North American expansion, they needed to address the regulatory and compliance tax issues inherent in not only two different countries, but also in 15 different American states and in four different Canadian provinces. These issues included complying with federal and state laws and taxes (i.e., income, franchise, gas, property and excise taxes) as well as preparing all U.S. and Canadian tax returns.



Working with DFK firms in London (Chantrey Vellacott DFK – who are the lead advisers to Mace), New York (Holtz Rubenstein Reminick LLP) and Toronto (Segal LLP), Mace Macro now has a single point of contact at DFK that co-ordinates all internal tax and regulatory compliance issues for their North American operations as well as for the rest of the world where they do business.

Conferences and Meetings Around the World

International Conference Amsterdam

Contrary to all expectations, members defied the credit crunch by attending the 2009 DFK International Conference in Amsterdam in record numbers. Over 200 members and their partners enjoyed making new and seeing old friends and exploring the sights of a wonderful old European city. The business sessions, workshop and social programme proved extremely successful. A particular highlight of the conference was the quality of the two external speakers.



Delegates at the DFK International Conference in Amsterdam



Group photo of attendees at the Amsterdam Conference taken prior to the Gala Dinner

DFK Sweden Conference

The Ystad Saltsjöbad Hotel in southern Sweden was the venue for a very successful DFK Sweden national group conference in August 2009. Unusually, the group invites all staff to the conference and as a result there were over 60 attendees. The programme was the traditional mix of high quality business sessions and plenty of opportunity to develop friendships and business.



Delegates at DFK Sweden National Group Conference

Asia Pacific Conference

Xu Jun and her daughter Renee, of Beijing Zhongxuanyu CPA were outstanding hosts for the 2009 DFK Asia Pacific conference held in Beijing. Both the delegates and the accompanying persons agreed that the conference had undoubtedly been a great success. The programme (including guest speakers) and social activities were well arranged and interesting.



Delegates at Asia Pacific Conference

DFK ANZ Conference

DFK ANZ had its annual conference this year in Queenstown, the picturesque village in the New Zealand snowfields, which provided excellent 5-star conference facilities at the beautiful Hotel St Moritz. The hotel overlooks the pristine blue alpine lake surrounded by snow covered mountains. It was expertly organised by the Auckland host firms DFK Oswin Griffiths and Carltons DFK. The theme for the conference was culture change and leadership with an excellent session on DFK ANZ Branding, their key focus for 2010-2011. The membership agreed to appoint a marketing consultant to drive DFK ANZ's marketing strategy with a key goal of raising the 'DFK' brand within their marketplace.

The social activities centred around visiting the historical character-filled townships and visiting quaint restaurants. This culminated on the Saturday with everyone cheering Rob Shelton, from the Canberra member, Everalls DFK, who took his first ever bungee jump, plunging into the ravine in the rain, narrowly missing the freezing cold waters below.



Rob Shelton bungee jumping

Conferences and Meetings Around the World

DFK UK & Ireland Conference

The DFK UK & Ireland 2009 Annual Conference, which was held at the Marine Hotel, Troon, Scotland on 1-2 October, attracted 47 delegates. Delegates enjoyed an excellent programme, covering topics such as online marketing and outsourcing opportunities, with specific workshops on succession planning and sustainability. They were delighted that Scott Hazy and Scott Hutchinson from Bennett Thrasher, Atlanta, USA were able to join them. The conference also gave them the chance to celebrate 250 years since the birth of Robbie Burns in true Scottish style! There were a lot of sore heads the morning after the Burns Supper!

The social event was the DFK UK & Ireland Golf Masters which has now become a bi-annual event. Congratulations to Scott Hazy who was the individual winner.



Delegates dressed in kilts for their Burns Supper

European Members' Meeting in Lyon

Lyon, a city with a reputation as the French capital of gastronomy, was the venue for a very successful European Members' Meeting in January, 2010. It was good to see members from the wider region, including the Middle East and Africa at this meeting. The event attracted just shy of 100 delegates and 19 accompanying persons brought the total of attendees to 115 – a great success!

The programme was based upon workshops for delegates on topics relevant either to the development of services for clients or practice management issues. Delegates enjoyed presentations from two excellent guest speakers.



Delegates attending "Marketing in a Recession" Workshop

Thanks go to our hosts, Odicéo for helping to organise the programme and for ensuring that attendees were able to enjoy the superb restaurants for which the city is so famous. Those who attended the group dinner at L'Abbaye de Collonges will doubtless never forget the gastronomic offering in the unique setting of an enormous mechanical pipe organ! The city certainly lived up to its reputation.



Delegates attending "Carbon Management" Workshop



Attendees of the conference enjoying a Champagne reception hosted by the local member firm of Odicéo

Conferences and Meetings Around the World

Latin American Conference

Mexico City was the venue for a very successful 2009 Latin American Conference in September that attracted 40 delegates and 28 accompanying persons.

The programme featured a range of topics from respected experts in practice management issues. It was also the perfect opportunity for attendees to strengthen relationships and build new ones in a wonderful setting.



DFK National Group Chairmen meet

The biennial National Chairmen's meeting took place in London at the beginning of May 2010 in the splendid surroundings of the Vintner's Hall in the City of London. The two-day meeting was chaired by DFK President Mike Tovey and attended by National Group Chairmen from Australia and New Zealand, Canada, France, Germany, Mexico, Sweden, US and UK. The forum provides an excellent opportunity for National Groups to share good ideas and 'best practice', as well as to discuss important policy issues to help DFK to develop and continue to meet members' needs.

North America Delegates meet in Puerto Rico

The 2010 North America conference in Puerto Rico in May attracted excellent attendance from DFK/USA and DFK Canada member firms, as well as a number of delegates from DFK/Mexico, South America and Europe. Mike Tovey, President DFK International also attended this conference. The programme featured a range of presentations from respected experts in their field covering lessons in communication, leadership, practice management and customer service. In addition, the team put together an exciting accompanying persons programme with the opportunity to take part in a rainforest excursion or a treetop canopy tour.



North American attendees enjoying one of the social events

Conferences and Meetings Around the World

European Young Professionals' Conference

The European Young Professionals' Conference in Cyprus in September 2009 was attended by 24 delegates. DFK Demetriou, Trapezaris Ltd were extremely generous hosts and ensured that the delegates enjoyed their stay in Cyprus.

They also arranged sponsorship from the Bank of Cyprus which ensured that the delegate fee was extremely good value. Feedback was very pleasing with all delegates reporting that they found the conference to be very informative and great fun.



Cyprus meeting

DFK UK & Ireland Managers' Conference 2010

April 2010 saw Dublin host the DFK UK & Ireland Managers' Conference. Despite the cancellation of flights as a result of the now famous Icelandic volcano ash, 75% of delegates managed to attend. A special well done to those delegates from Scotland and London who travelled by train, car or boat (or all three!) in order to attend. We are not sure if that was just for the conference or to have a weekend away in Dublin! The conference was run by Des O'Neill from Omni Pro and the main topic was Developing Managers for Partners. The conference was a great success and it was hoped that the managers were able to take the new ideas back to their offices.



DFK UK Managers' Meeting

DFK ANZ Managers' Conference

DFK ANZ hosted their inaugural Managers' Conference on 11-13 November 2009 at the Marriott Hotel in Gold Coast, Queensland. The conference was well supported by all member firms of DFK ANZ with 26 attendees. Gooding Pervan, a member firm, provided the guest speakers. The conference focused on soft skills rather than technical skills and the feedback from the attendees was very positive. Everybody agreed this event should become a permanent fixture on the DFK ANZ calendar.



Delegates at DFK ANZ inaugural Managers' Conference

Conferences and Meetings Around the World

International Conference in Kuala Lumpur

Despite the late change of venue from Bangkok (necessitated by the civil disturbance in Thailand earlier in the year), the annual 2010 International Conference in Kuala Lumpur in July was a great success, with 87 delegates attending from all regions of the world. There was a strong showing from firms in the Asia Pacific regions, especially the Australia and New Zealand National Group, as well as firms from North America and Europe.

Delegates were treated to presentations from a number of members in the region, including Anusorn Kiatgungwalgri from our member firm in Bangkok, who provided an interesting perspective on recent political events in Thailand, and from Renee Jun from Beijing Zhongxuanyu CPA Co. Ltd., who gave an insightful account of her firm and local market conditions in China.

Other activities during the conference included well attended workshops on marketing, tax and carbon trading, which were all greatly appreciated by those participating. The Assurance Services and Tax Committees also held ½ day seminars that were similarly well

attended. As ever, delegates also derived value from the contacts, both new and well established, that is always formed during the informal sessions and one-on-one breakouts in the margins of the main meeting. It was a pleasure to welcome a potential member firm from Vietnam who were represented by Pham The Hung and Nguyen Luong Nhan. The firm subsequently became a member at the beginning of September.

Although there were fewer pre-arranged social activities than at previous conferences, delegates and their accompanying persons were able to savour some of the flavours and delights in and around Kuala Lumpur and Malaysia, with many taking the opportunity to extend their stay with a family holiday in the area.

The success of the conference would not have been possible without the tremendous support of Ooi Chee Kun and all at Folks DFK & Co., to whom we owe a debt of thanks. As we look forward to next year's conference in Chicago, we carry forward fond memories of a highly successful conference in Kuala Lumpur.



Anusorn Kiatgungwalgri, ASV & Associates Ltd.
Bangkok, Thailand



Ooi Chee Kun, Folks DFK & Co.,
Kuala Lumpur, Malaysia



Delegates prior to the Gala Dinner

Golf Challenge

Working together is a central theme of membership of DFK. Effective relationships are developed not only in work situations but also in the varied social aspects of DFK conferences. Since 2006, delegates, and accompanying persons, attending the Annual Conference have had the opportunity play in the DFK Annual International Golf Challenge.

The challenge is modelled on the Ryder Cup, and typically involves the USA and others competing against Europe and others. The exception was in 2008 when the annual conference was held in Sydney, Australia – in that year the Australians took on the rest of the world!



Participants in the 2009 challenge, which was held in Amsterdam.

The golf challenge has a core group of regular participants but all conference delegates are welcome to participate. This was highlighted in the opening challenge in 2006 when the top score was gained by the wife of one of the delegates. Holders of the International Golf Challenge Shield are:

2006	Sharon Chavkin	USA
2007	George Isaac	Australia
2008	Chris Coulton	Australia
2009	David Griffiths	New Zealand

Whilst the competition was tough last year, we expect another strong competition in 2010 in Kuala Lumpur. Irrespective of the outcome we can be sure that participation will bring those involved closer together and will further cement the working relationships that are so important in meeting the needs of clients who have international operations.

Seminars and Training

Successful Training Session: US Audit Practice & Procedure

Eddie Wong (Partner – Asian American Practice, Friedman LLP, New York) kindly agreed to provide professional training to member firms in China on the subject: US Audit Practice & Procedure – with particular reference to IPOs in the U.S. and works related to the Sarbanes-Oxley Act.

The three-day session held in June 2009 was a great success with 34 participants from three member firms and two clients. The attendees spoke very warmly of the value of the training and expressed much gratitude to Eddie.



Eddie Wong of Friedman LLP, New York, (Front row, second from the right) and participants of the professional training

DFK Member Firms Organise Successful Cross Border Seminar on Transfer Pricing

Peters, Schönberger & Partners Gbr, Stümpges & Brune Gbr (Germany) and FoedererDFK (Netherlands) organized a cross-border seminar on Transfer Pricing, targeted at companies with interests in Germany and the Netherlands. Over 60 participants attended, most of whom came from both sides of the Dutch-German border. With a few exceptions, the participants were not existing clients of the organizing firms and thus the seminar created an excellent basis for meeting potential new clients. The seminar featured speakers from the organizing firms and a speaker from the German tax authorities. Participants were presented with an overview of current requirements on Transfer Pricing issues and addressing risks, solutions and tax optimization with some case studies to underline it.

The seminar was a great success and will hopefully be followed up with similar initiatives.

DFK Awards

At the closing dinner of the annual conference in Amsterdam the President presented the **Regional Firms of the Year Awards** to this year's winners:

The Americas: Ginsberg, Gluzman, Fage & Levitz, LLP, Canada



Above: Mike Tovey with Bruce Johnston, Partner of Ginsberg, Gluzman, Fage & Levitz, Ottawa, Canada

Europe, Middle East & Africa: Peters, Schönberger & Partner GbR, Germany



Mike Tovey with Christopher Schönberger, Partner of Peters, Schönberger & Partner GbR, Munich, Germany

Asia Pacific: DFK Laurence Varnay, Australia



Right: Mike Tovey with Ray Mendels, Partner of DFK Laurence Varnay, Sydney, Australia

DFK Awards

During the closing dinner held at the end of the International Conference in Kuala Lumpur the President presented:

Regional Firm of the Year Awards

The Americas: Bennett Thrasher PC, USA



Mike Tovey with Scott Hazy and Charles Edge, Partners of Bennett Thrasher PC, USA

Europe, Middle East & Africa: Foederer DFK, Netherlands



Mike Tovey with Harrie van Houts and Johan Daams, Partners of Foederer DFK, Netherlands

Asia Pacific: DFK Hirn Newey Pty Ltd., Australia



Mike Tovey with Rob Schoenmaker and Paul Haupt, Partners of DFK Hirn Newey Pty Ltd.

Meritorious Service Awards

The President presented Meritorious Service Awards to two very deserving recipients in recognition of the immense contribution that they had made to DFK International throughout their long involvement: Howard Weiner (Holtz Rubenstein Reminick LLP, USA) and Harrie van Houts, (Foederer DFK, Netherlands).



Mike Tovey with Howard Weiner



Mike Tovey with Harrie van Houts

New Member Firms

The following firms joined DFK International during the year.

MAY 2009

Singapore: J K Medora & Co., of Singapore were admitted to membership

JUNE 2009

Colombia: C & M Consultores S.A. of Bogota were admitted to membership.

JULY 2009

UK: Royce Peeling Green of Manchester were admitted to membership of DFK UK and Ireland.

SEPTEMBER 2009

UK: Rostrom & Partners of Norwich were admitted to membership of DFK UK and Ireland.

OCTOBER 2009

Ghana: Aryeetey & Associates – from Accra were admitted to membership.

Switzerland: Fidinter Treuhand AG of Zurich and Lausanne were admitted to membership.

UK: Thompson Jenner of Exeter and Exmouth were admitted to membership of DFK UK and Ireland.

DECEMBER 2009

Puerto Rico: MARS, LLP – from Guaynabo were admitted to membership.

Bolivia: Torquato & Asociados S.R.L. – from La Paz were admitted to membership.

MAY 2010

UK: Hansard Limited of Guernsey were admitted to membership of DFK UK and Ireland.

JULY 2010

UK: ktsowensthomas of Cardiff were admitted to membership of DFK UK and Ireland.

SEPTEMBER 2010

Vietnam: DFK Vietnam of Hanoi City and Ho Chi Minh City were admitted to membership.

Quality Review Programme

The Board of Directors has approved Criteria for Membership of DFK International which applicants must fulfil and which are a continuing obligation for existing members. Members must submit annual returns to the Executive Office

DFK International has established a Quality Review Programme which seeks to promote the highest standards of audit quality in the association. This programme has been developed with reference to the quality control standards issued by the International Federation of Accountants (IFAC).

Members are required to submit periodic returns to the Executive Office detailing their own quality monitoring processes and procedures. The returns must include reports the members have



received from external monitoring reviews in their country. Where a member is not subject to domestic review, periodic reviews of the firm are performed using partners from other DFK International members. DFK International also follows up the results of national reviews with members, and, where appropriate, may require an internal DFK International review to take place.

Services

“To be recognised by clients with cross border interests as a leading association of independent firms of accountants and business advisers. This recognition will be based on geographic coverage and the quality of services clients can expect when referred by one DFK member to another.”

Through the member firms of DFK, clients have access to a range of services developed to meet the needs of clients at all stages of their development. Services are offered on a timely, cost efficient basis so as to build a long-term relationship.

The services offered by our member firms include:

- Accounting Services
- Audit
- Business Turnaround and Recovery
- Business Valuation
- Corporate Finance
- Corporate Governance
- Corporate Taxation
- Due Diligence Investigations
- Forensic Accounting and Litigation Support
- Fraud Prevention and Detection
- Internal Audit
- IT Consultancy
- Management Consulting
- Personal Financial Planning
- Personal Taxation
- Risk Management
- VAT and other sales taxes

Global Representation

Albania • Argentina • Australia • Austria • Azerbaijan • Bahamas • Belarus • Belgium • Bolivia • Brazil • Bulgaria • Canada • Channel Islands • Chile • China • Colombia • Costa Rica • Cyprus • Czech Republic • Denmark • Dominican Republic • Ecuador • Egypt • El Salvador • Fiji • Finland • France • Germany • Ghana • Greece • Guatemala • Honduras • Hong Kong (S.A.R.) • Hungary • Iceland • India • Indonesia • Ireland • Isle of Man • Israel • Italy • Japan • Jordan • Kazakhstan • Kenya • Korea • Kuwait • Lebanon • Luxembourg • Macedonia • Malaysia • Malta • Mauritius • Mexico • Morocco • Netherlands • New Zealand • Nicaragua • Nigeria • Norway • Oman • Pakistan • Panama • Papua New Guinea • Peru • Philippines • Poland • Portugal • Puerto Rico • Romania • Russia • Saudi Arabia • Singapore • Spain • Sweden • Switzerland • Taiwan • Thailand • Tunisia • Turkey • United Arab Emirates • United Kingdom • United States of America • Uruguay • Vanuatu • Venezuela • Vietnam •



DFK International is an association of independent accounting firms and business advisers. Each member firm is an independent legal entity in its own country.



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