

Asia Pacific / EMEA Joint Regional Meeting

Cross-regional Statistical Analysis
May 2014



Contributors

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ARTUS
Audina Treuhand AG
Ayce Colsultores
Beijing Jinghua CPAs
Blick Rothenberg LLP
Boake Incorporated



Contributors

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Ditrag SRL
Doli Bambang Sulistyanto Dadang Ali and partners
Dr. von der Hardt & Partner
East Asia Sentinel Limited
Efogerc Membre
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Euroglobal SEE Audit EOOD
Exponens
Faura-Casas
Ferax Treuhand AG

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Hansa Partner Rommel & Meyer Partnerschaft mbB
Harbinson Mulholland
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International Proximity
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Vietnam Auditing & Evaluation Co., Ltd
Walker Wayland (WA) Pty Ltd
Walker Wayland Auckland Ltd
Walker Wayland NSW - Sydney
Walker Wayland SA
WESSLY Sp. z o.o.
WWS Wirtz, Walter, Schmitz GmbH
Yarel+ Partners CPA

Cassons 
Chartered accountants & business advisers



Presented by:
Grant Allsopp
(Sydney)

Les Nutter
(Manchester)



3 MANAGEMENT

3.1 **Personnel** (average number of full time persons during the year, for example 2 half time = 1 full time)

	Latest Year	Previous Year
	Number	Number
Principals - male		4
Principals - female		2
Fee earners - male		8
Fee earners - female		3
Other staff - male		
Other staff - female		8
Total personnel		25

3.2 **Staff activity:**

Leavers during the year

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Joiners during the year





Grant Allsopp
(Sydney)

Les Nutter
(Manchester)



Fee growth (in Euros)

	Latest year (millions)	Previous year (millions)	% difference
EMEA	210	203	3.3
Flynth	157	167	(6.0)
APAC	88	82	6.4
Total Fees	455	453	0.4

Firms with fees over 10 million Euros

		Latest year	Previous year
Flynth	Netherlands	157	167
Orcom	France	49	48
Blick Rothenberg	UK	22	21
Exponens	France	19	18
SFC Eurus	France	17	14
Hansa Partner	Germany	15	15

Change in fees – all firms banded

	Number of firms	%
Over 10% growth	14	21
6% - 10%	12	18
0% - 5%	19	29
Reduction of 1% - 10%	18	27
Over 10% reduction	3	5

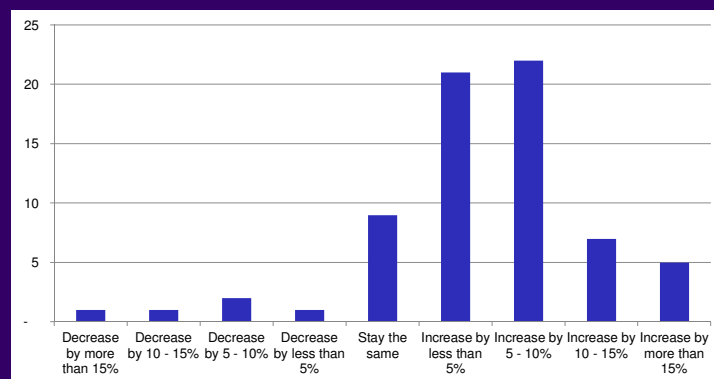
% Fee growth – top 5

		Fees in 2013	% increase in fees
Yarel + Partner	Israel	2.2	60
Abdullah Bakodah	Saudi Arabia	1.1	21
Artus	Austria	5.5	20
Walker Wayland (WA)	Australia	2.3	19
Figurad Bedrijfsrevisoren	Belgium	2.8	19

% Fee growth – over 10% growth

		Fees in 2013	% increase in fees
T R Chadha	India	3.4	17
SFC Eurus	France	16.5	16
Doli Bambang	Indonesia	2.3	16
Efogerc	Togo	0.4	15
Logista	South Africa	3.2	12
Munro	New Zealand	1.6	11
Intercom-Audit	Russia	2.4	11
Add & Subtract	Sweden	1.7	11
Wessly	Poland	0.2	11

Fee levels – expected growth



Expectations for this year

Net profit

Number of firms

Increase	46
Stay the same	17
Decrease	6

Firms with changes in the number of offices

		Latest year	Previous year	Change in offices
Vietnam Auditing	Vietnam	4	1	3
STC Audit	France	3	-	3
Doli Bambang	Indonesia	11	9	2
Walker Wayland (WA)	Australia	3	1	2
SFC Eurus	France	11	9	2
Gesem	Spain	1	-	1
Molade	The Netherlands	1	-	1
Faura-Casas	Spain	3	2	1
Hansa Partner	Germany	1	2	(1)
Ayce	Spain	2	3	(1)
Flynth	The Netherlands	63	70	(7)

Is there a dependence on audit?

	Audit	Accountancy	Total audit and accountancy
Across both regions	36	26	62
EMEA	36	27	63
APAC	39	24	63
Australasia	17	37	54
APAC excluding Australasia	59	11	70

Fee analysis by service

		% of income
Tax Advice:		
Işık Yeminli Mali Müşavirlik	Turkey	65%
Hansa Partner	Germany	55%
Consulting:		
International Proximity	Mauritius	91%
DEK	Morocco	58%
Other:		
Audina Treuhand AG	Liechtenstein	73%

Fee analysis by client type

		% of income
Listed company work:		
Ayce	Spain	70
G.P. Rajbahak & Co.	Nepal	60
DEK	Morocco	60
Not for profit work:		
Faura-Casas	Spain	56

Firms with over 2000 chargeable hours per fee earner

		Hours per fee earner
Abou Nasr	Lebanon	3,032
Efogerc	Togo	2,582
Al-Ateeqi	Kuwait	2,512
Aref Al Hasan	Jordan	2,400
G P Rajbahak	Nepal	2,189

Firms with over 2000 chargeable hours per fee earner

And the winner is...

		Hours per fee earner
FRS	Greece	8,558

Australasia – chargeable hours per fee earner

		Hours per fee earner
Advantage Advisors	Australia	1,504
Munro	New Zealand	1,404
Walker Wayland Auckland	New Zealand	1,312
Walker Wayland NSW	Australia	1,191
Walker Wayland SA	Australia	998
AMD	Australia	910
SRJ Walker Wayland	Australia	814
Walker Wayland (WA)	Australia	726

BIG Group – chargeable hours per fee earner

		Hours per fee earner
Harbinson Mulholland	Northern Ireland	1,093
Cassons	England	1,045
Blick Rothenberg	England	1,011
UNW	England	1,009
Ormsby & Rhodes	Ireland	779
Lince Salisbury	Guernsey	306

Chargeable hours per principal

	Number of firms
Under 500 hours	15
500 to 750	9
751 to 1000	9
1001 to 1250	3
1251 to 1500	8
Over 1500	5

Firms with 1500 or more chargeable hours per principal

		Hours per principal
Al-Ateeqi	Kuwait	2,566
FRS	Greece	1,920
G.P. Rajbahak	Nepal	1,800
Yarel + Partners	Israel	1,690
Efogerc	Togo	1,670
Add & Subtract	Sweden	1,500

Increase in chargeable hours – effect on fees

		% increase in hours	% increase in people	% increase in fees
Yarel + Partners	Israel	38.9	25.0	60.2
Walker Wayland (WA)	Australia	34.9	18.8	19.2
UNW	UK	21.2	10.2	8.6
Figurad Bedrijfsrevisoren	Belgium	19.4	26.7	19.0
Add & Subtract	Sweden	12.9	16.7	10.7
East Asia Sentinel	China	10.4	(4.1)	(1.8)
Doli Bambang	Indonesia	9.8	(2.5)	15.6

Principal chargeout rates – all firms banded

Euros	Total	EMEA	APAC	Australasia
Over 300	8	2	2	4
250 to 299	8	6	0	2
200 to 249	14	14	0	0
150 to 199	12	9	1	2
Up to 149	19	14	5	0

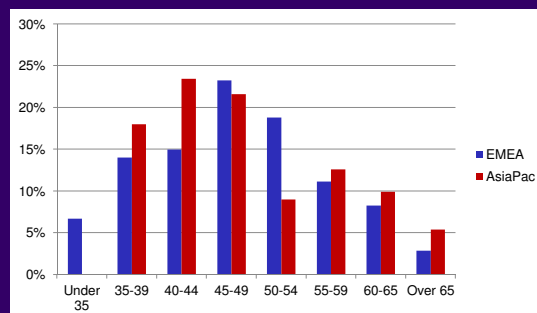
Firms with principal chargeout rates over 300 Euros per hour

		Principal chargeout rate per hour
Blick Rothenberg	UK	576
Shanghai JaHwa	China	418
Walker Wayland (NSW)	Australia	347
Seonjin	South Korea	340
Audina	Liechtenstein	329
Advantage Advisors	Australia	325

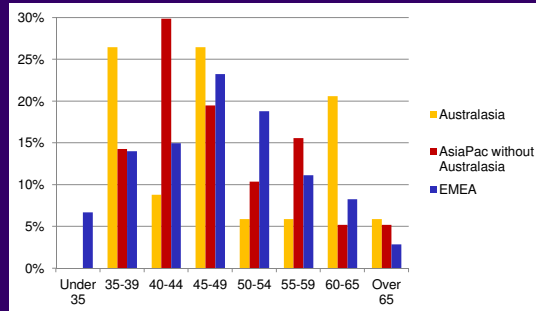
Fees per principal – over 1.5m Euros

		Principals	Net fees per principal (m)
Seonjin	South Korea	4	2.3
International Proximity	Mauritius	2	2.0
Ficel Group	Luxembourg	4	1.9
Ditrag	Italy	4	1.7
Orcom	France	33	1.5

Principal age profile – EMEA v APAC



Principal age – APAC, EMEA and Australasia



Retirement age

Retirement age	Number of firms
55	2
60	4
62	1
65	25
67	5
70	1
Nothing contractual	24

Principals' expectation of receiving a payment on retirement

Yes	29
No	32

29 firms recognise they have an issue with succession within their firm over the next 5 years
- only 6 of these firms are yet to find a solution

Staff to principal ratio

		Total personnel	Staff to principal ratio
T R Chadha	India	438	35.5
Seonjin	South Korea	114	27.5
Euroglobal	Romania	27	26.0
International Proximity	Mauritius	54	26.0
Intercom-Audit	Russia	132	25.4
Efogerc	Togo	26	25.0
Al-Ateeqi	Kuwait	45	21.5
Doli Bambang	Indonesia	436	20.8

Firms with fees per personnel over 150,000 Euros

		Fees per personnel	Total personnel	Total Revenue millions
Nitschke	Norway	201,772	33	6.7
Dr von der Hardt	Germany	178,282	39	6.9
Ferax Treuhand	Switzerland	173,975	24	4.2
Audina Treuhand Advantage	Liechtenstein	158,240	16	2.5
Advisors	Australia	158,221	24	3.8
Ficel Group	Luxembourg	150,755	50	7.5

Principal numbers – male v female

	Male %	Female %
Across both regions:		
Latest year	81	19
Previous year	83	17
APAC excluding Australasia:		
Latest year	66	34
Previous year	72	28
Australasia:		
Latest year	91	9
Previous year	91	9

Staff numbers – male v female

	Male %	Female %
Across both regions:		
Latest year	50	50
Previous year	49	51
APAC excluding Australasia:		
Latest year	65	35
Previous year	63	37
Australasia:		
Latest year	51	49
Previous year	51	49



Staff activity – low staff activity

	Joiners	Leavers	Total	Activity	Rank challenge
Walker Wayland (SA)	0	0	10	0%	7
East Asia Sentinel	3	0	85	4%	7
MGA	2	0	53	4%	10
Gesem	1	1	25	4%	-
Doli Bambang	21	0	447	5%	2

Staff activity – high staff activity

	Joiners	Leavers	Total	Activity	Rank challenge
Abou Nasr LLC	2	1	3	100%	8
Fučík	18	15	36	92%	2
SFC Eurus	79	39	175	67%	10
Abou Nasr & Ass	1	1	3	67%	9
T R Chadha	150	124	412	67%	3

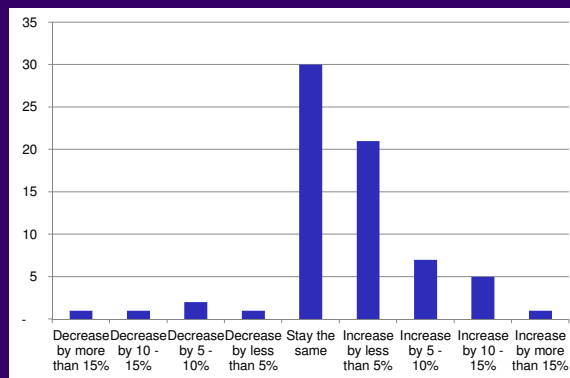
Staff activity

% movement of staff

Number of firms

Under 25%	38
25% to 50%	20
50% to 75%	6
Over 75%	2

Staffing levels – expected growth

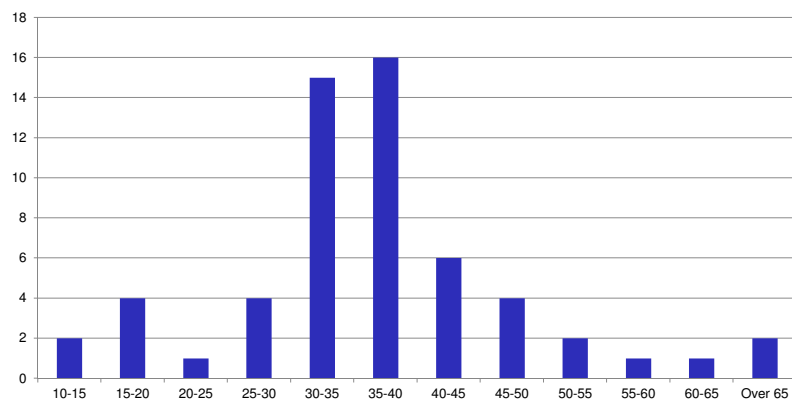


The effect of salary levels on net profit

31 firms expect both salary levels and number of staff to increase

- 7 expect profit levels to be unaffected
- 24 expect profits to increase

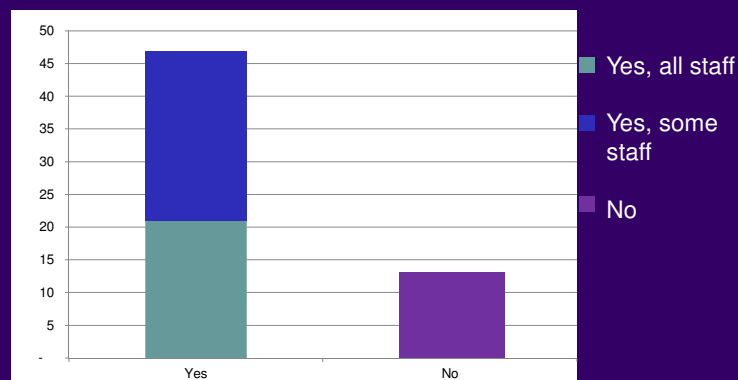
Total salaries as a percentage of fees



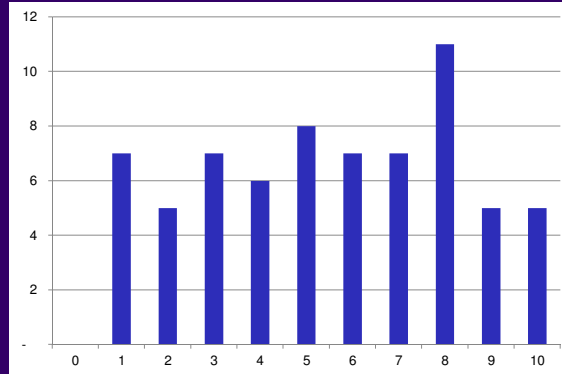
Firms achieving fee growth AND a reduction in salary costs

		% increase in fees	% increase in total salary costs
Wessly	Poland	10.5	(19.7)
Ferax Treuhand AG	Switzerland	1.1	(16.2)
Faura-Casas	Spain	0.5	(9.2)
Advantage Advisors	Australia	4.0	(7.1)
Harbinson Mulholland UK		1.1	(3.3)

Do you offer performance related bonuses?



Challenges to recruiting professional staff



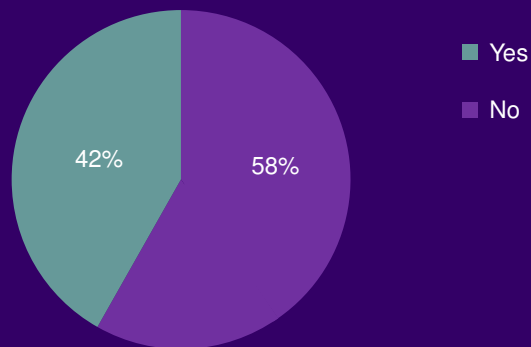
Firms scoring recruiting professional staff as 1 or 2

Ayce	Spain
Harbinson Mulholland	UK
Nitschke AS	Norway
Shanghai JaHwa CPAs	China
Intercom-Audit	Russia
International Proximity	Mauritius
Efogerc	Togo
Fučík	Czech Republic
Ormsby & Rhodes	Ireland
International Auditing Group	Ukraine
Doli Bambang	Indonesia
Dr. von der Hardt & Partner	Germany

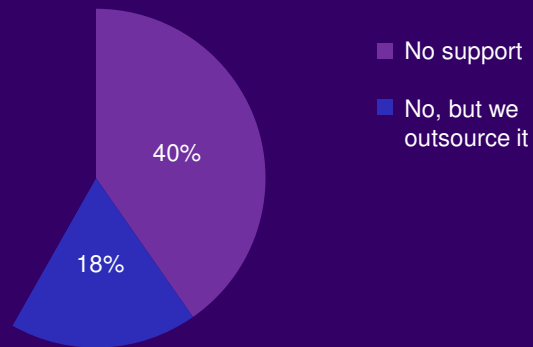
Firms scoring recruiting professional staff as 9 or 10

SFC Eurus	France
Munro Bengie	New Zealand
FRS	Greece
Logista	South Africa
MGA	France
G.P. Rajbahak & Co	Nepal
AMD Chartered Accountants	Australia
Cassons	UK
Ferax Treuhand AG	Switzerland
Abou Nasr & Associates	Lebanon

Do you employ a HR professional?



Do you employ a HR professional?



Managing people – internal procedures

25% of firms do NOT carry out a presentation to staff

BUT...

75% of firms DO carry out a presentation to staff

88% of firms conduct development reviews for **staff**

BUT...

52% of firms do NOT conduct development reviews for **partners**

Overheads - highlights

Training:		Cost	% of fees
Doli Bambang	Indonesia	292,818	12.6
Rent:			
Doli Bambang	Indonesia	387,553	16.6
Add & Subtract	Sweden	248,703	14.3
Ditrag SRL	Italy	697,100	10.3
Entertaining:			
Molade	The Netherlands	200,000	16.0

Rent per square metre

		Cost
East Asia Sentinel	Hong Kong, China	11,140
Walker Wayland NSW	Sydney, Australia	608
Lince Salisbury	St Peter Port, Guernsey	520
Blick Rothenberg	London, UK	428
Exponens	Paris, France	400
Advantage Advisors	Melbourne, Australia	370
Logista	Cape Town, South Africa	352
Ditrag SRL	Milan, Italy	348

Receivables

Days	Number of firms
0-30	4
30-60	11
60-90	24
90-120	13
120-150	3
Over 120	9

Average is 93 days (101 last year in EMEA)

Lock up

Receivables and WIP expressed as months of turnover

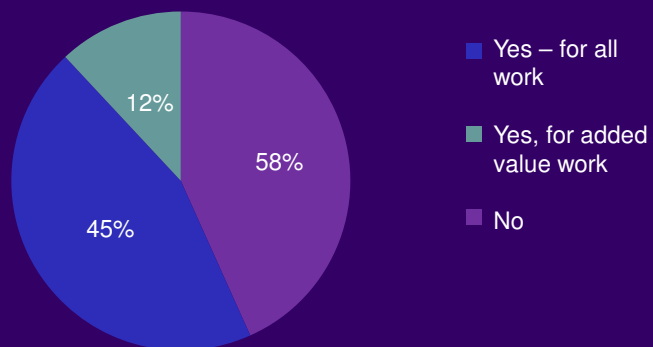
Months	Total	EMEA	APAC
Up to 1	6	4	2
2	9	6	3
3	16	12	4
4	17	13	4
5	9	7	2
6	1	1	-
7	4	4	-
Over 7	4	3	1

Average is 3.5 (last two years 4.0 and 4.1 in EMEA)

Lock up – notable performers

		Number of months
International Audit	Ukraine	0.1
T R Chadha	India	0.2
Wessly	Poland	0.5
G.P. Rajbahak	Nepal	0.7
Yarel + Partners	Israel	0.9
Figurad Bedrijfsrevisoren	Belgium	1.0

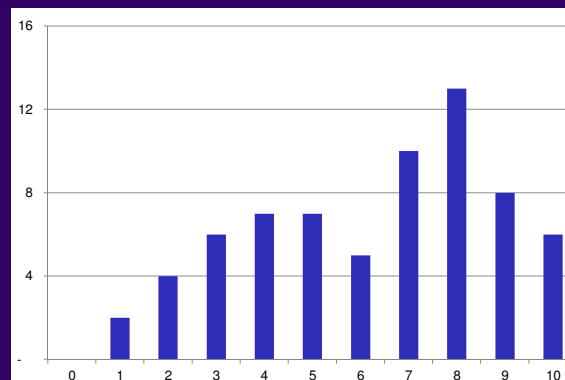
Fee pressure from clients



Firms experiencing fee pressure from clients – except for added value work

WWS Wirtz, Walter, Schmitz	Germany
Beijing Jinghua	China
Ormsby & Rhodes	Ireland
FICEL	Luxembourg
Cassons	UK

Selling added value services



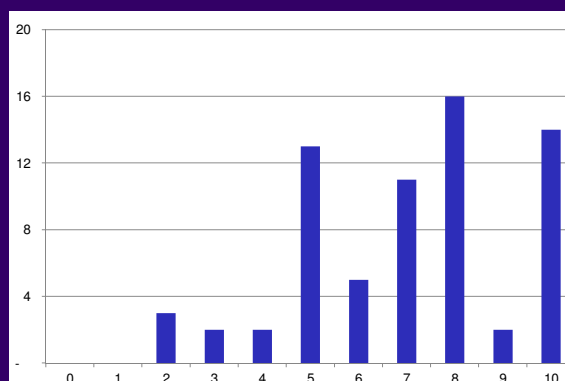
Firms scoring selling added value services as 1 or 2

FRS	Greece
Fouad-Elwatan	Egypt
Multifiduciaire Genève SA	Switzerland
Peter Chong	Malaysia
Fučík	Czech Republic

Firms scoring selling added value services as 9 or 10

Aref Al Hasan	Jordan	Işık Yeminli Mali Müşavirlik Turkey	
Flynth Holding NV	Netherlands	G.P. Rajbahak & Co	Nepal
Advantage	Australia	Abou Nasr LLC	Iraq
Exponens	France	Euroglobal	Cyprus
SFC Eurus	France	Esteves	Portugal
STC	France	Ditrag	Italy
Euroglobal	Romania	Wessly	Poland

Winning new clients



Firms scoring winning new clients - low

Fouad-Elwatan

Abdullah Bakodah & Adel Aboulkhair

UNW LLP

Artus

Intercom-Audit

Egypt

Saudi Arabia

UK

Austria

Russia

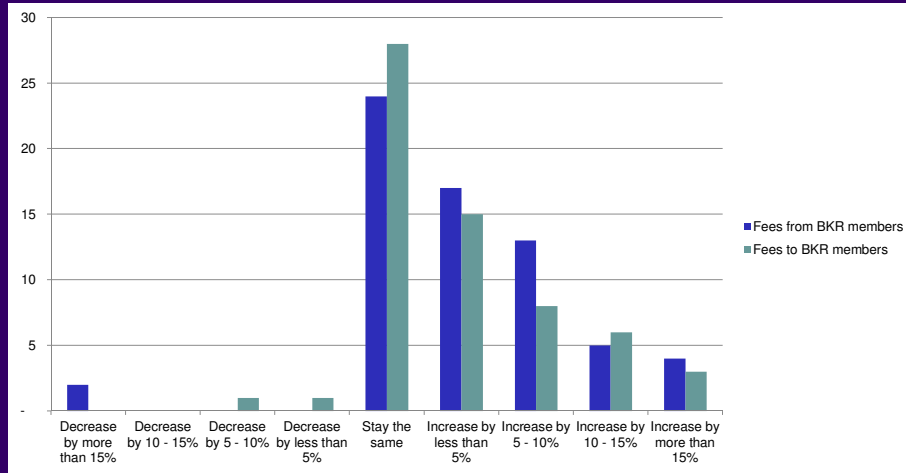
Firms scoring winning new clients - high

DEK Audit & Conseil	Morocco
MGA	France
Beijing Jinghua CPAs	China
Euroglobal SEE Audit EOOD	Bulgaria
Lince Salisbury Ltd	Guernsey
Euroglobal Audit & Advisory SRL	Romania
Işık Yeminli Mali Müşavirlik	Turkey
Euroglobal S.E.E Audit Ltd	Cyprus
Ditrag SRL	Italy
Wessly	Poland
Aref Al Hasan Auditing Firm	Jordan
Flynth Holding NV	Netherlands
Advantage Advisors	Australia
Exponens	France

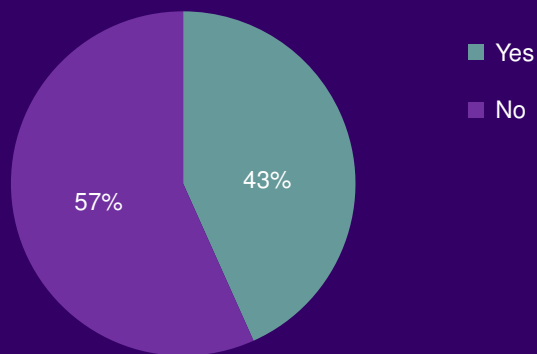
Source of new business

- **83% of firms responding to the survey obtain over 50% of new business from existing clients, friends and acquaintances**
- **Just 4 firms responding to the survey obtain over 50% of new business from intermediaries**
- **2 firms win around 50% of their new business from advertising and promotion**
- **4 firms gain over 20% of all new business from BKR**

BKR referral expectations



Firms conducting sales training



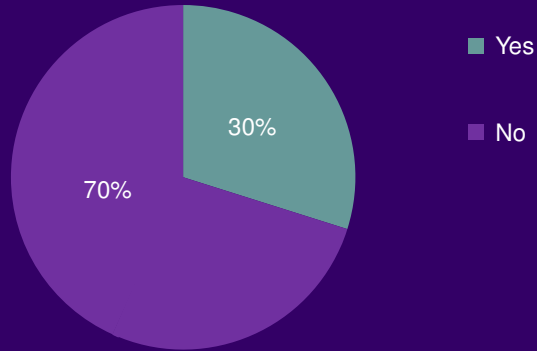




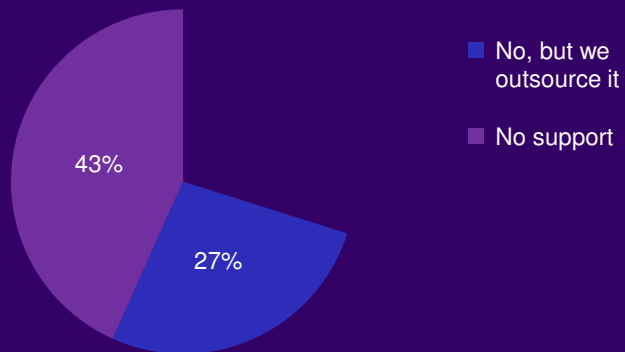
Marketing & business development

	Do you employ a marketing and / or business development professional?	Or, is it outsourced?
Yes	20	18
No	47	29
Total	67	47

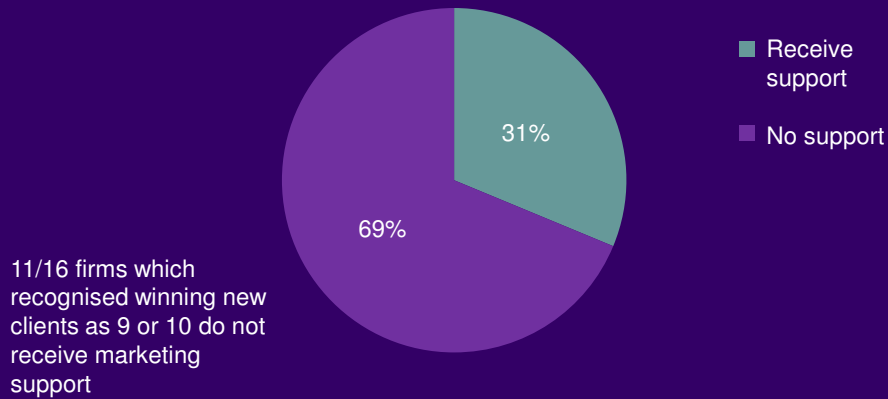
Firms employing a marketing & business development professional



Firms employing a marketing & business development professional



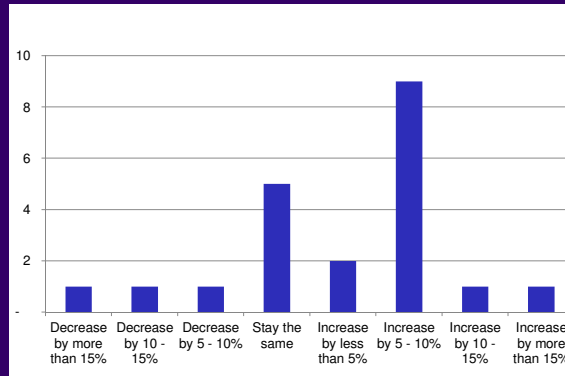
Winning new business and employing a marketing professional



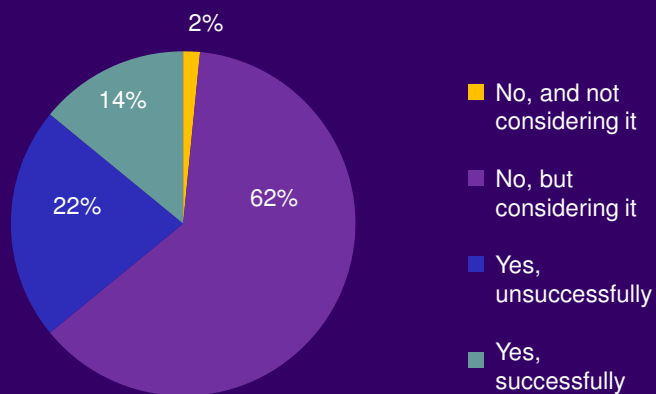
Firms receiving no marketing support but provide sales training to staff

Molade Trust Management B.V.	The Netherlands
Walker Wayland SA	Australia
Multifiduciaire Genève SA	Switzerland
East Asia Sentinel Limited	China
Ditrag SRL	Italy
Shanghai JaHwa CPAs	China
STC Audit	France
Wessly	Poland

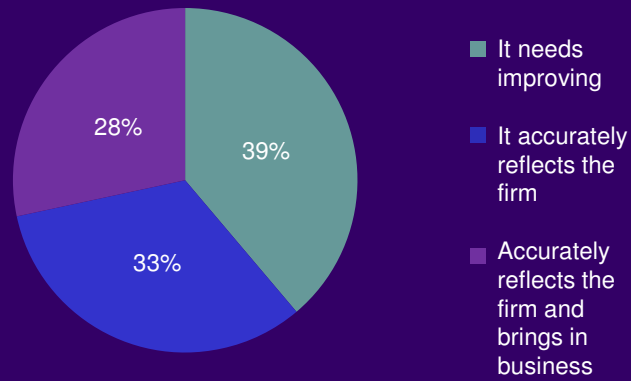
No marketing, business development, or sales training – profit expectations



Use of social media for marketing



How firms rate their website



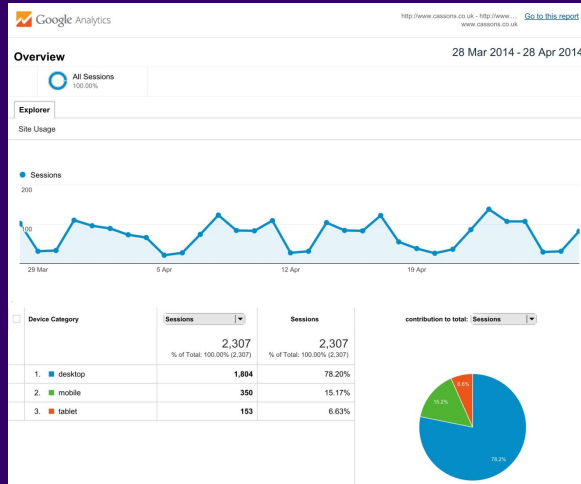
Website and social media success

9 firms feel they have a website which accurately reflects the image of the firm and brings in business & use social media for marketing.

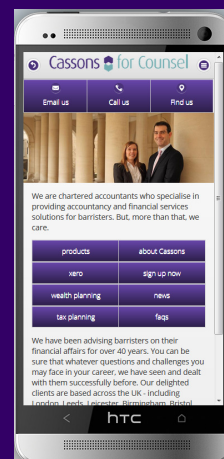
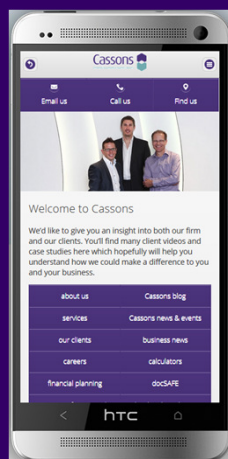
2/9 firms do not receive marketing support:

Beta Chong	Kuala Lumpur, Malaysia
Middle Holding NV	Amsterdam, Netherlands
SRJ Walker Wayland	Brisbane, Australia
Blick Rothenberg	London, UK
Esteves, Pinho	Maia, Portugal
Cassons	Manchester, UK
Walker Wayland (WA)	Perth, Australia

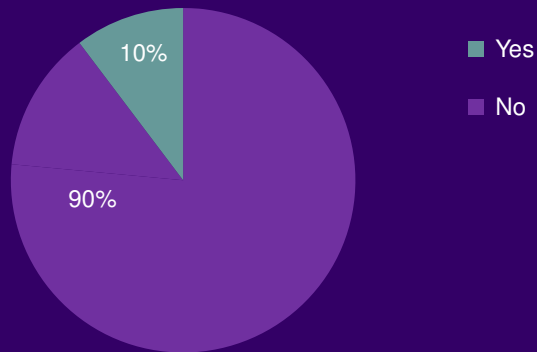
Mobile websites



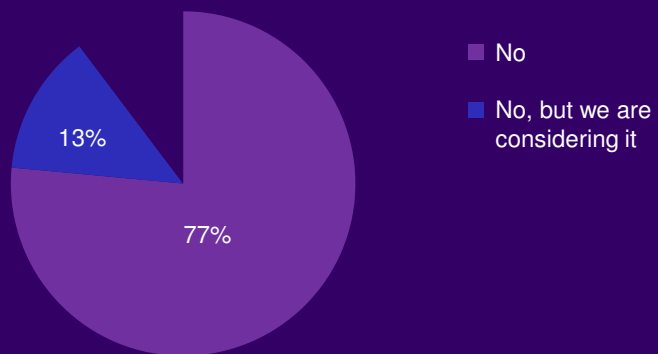
Mobile website



Firms living in the cloud...



Firms living in the cloud...



High % of clients in the cloud

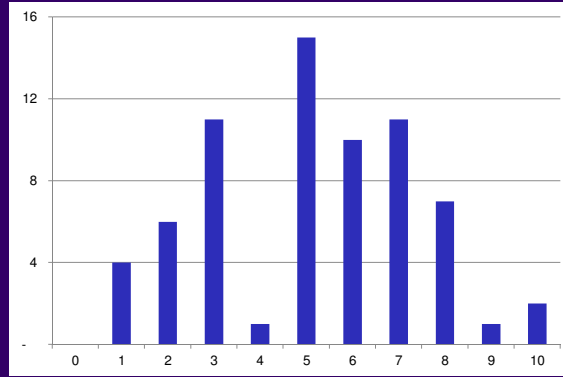
		% of clients in the cloud
Figurad Bedrijfsrevisoren	Belgium	25-50
Walker Wayland (WA)	Australia	25-50
Ayce	Spain	50-75

Popular cloud accounting software

Top 3 cloud packages

- Xero
- MYOB
- SAP

Keeping up with changing technology



Firms scoring keeping up with changing technology as 9 or 10

SFC Eurus

France

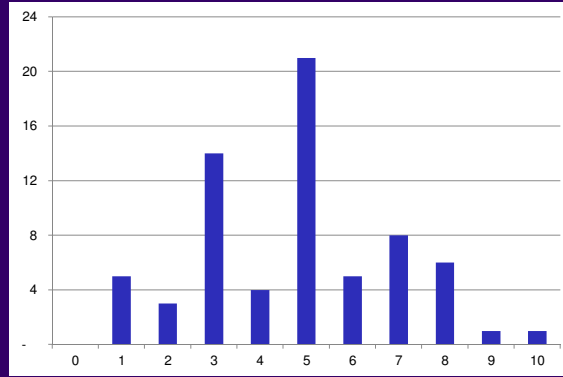
Aref Al Hasan

Jordan

Walker Wayland NSW

Australia

Overcoming regulatory factors



Firms scoring overcoming regulatory factors as 9 or 10

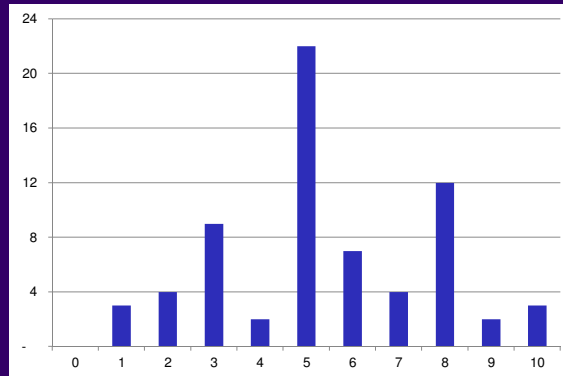
Işık Yeminli Mali Müşavirlik

Turkey

Ficel Group

Luxembourg

Political and / or economic conditions



Firms scoring 9 or 10 for political and / or economic conditions

G.P. Rajbahak & Co	Nepal
International Auditing Group	Ukraine
Audina Treuhand AG	Liechtenstein
Abou Nasr & Associates	Lebanon
Intercom-Audit	Russia

Firms needing a hug

		Total of scoring for all challenges
G.P. Rajbahak & Co	Nepal	51
Işık Yeminli Mali Müşavirlik	Turkey	50
Exponens	France	49
SFC Eurus	France	48
Add & Subtract	Sweden	48

Happy firms

		Total of scoring for all challenges
Efogerc	Togo	20
Al-Ateeqi	Kuwait	19
Abdullah Bakodah & Adel Aboulkhair	Saudi Arabia	19
International Proximity	Mauritius	14

Technology

Job Planning

- 55% of firms have a dedicated person in charge of job planning
- 58% of firms have a computerised process for job planning

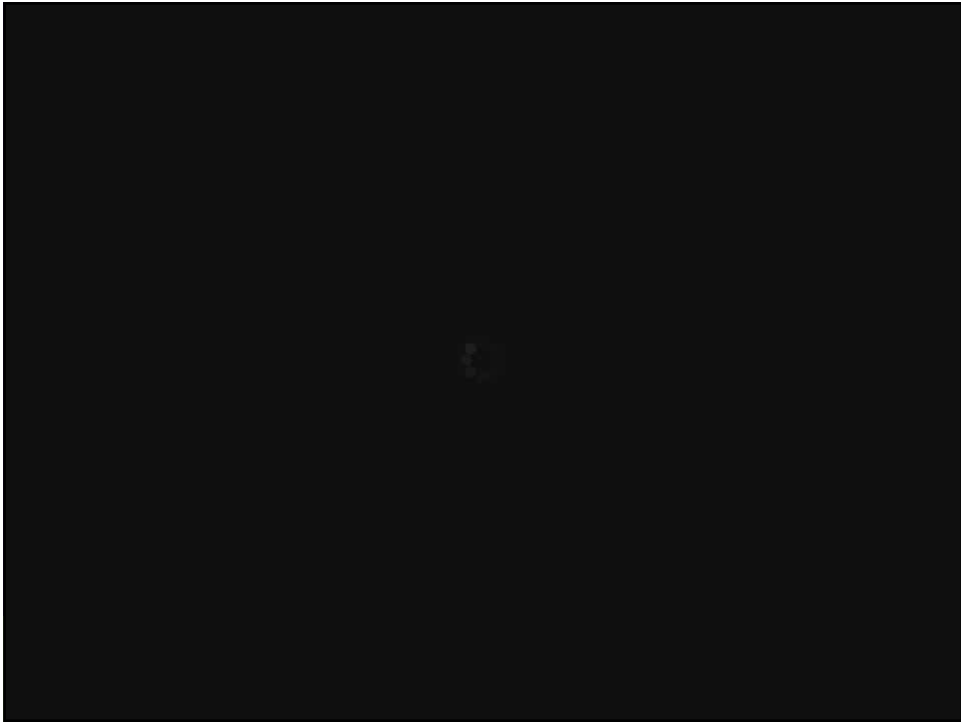
CRM

- 44% of firms have a computerised CRM system in place

Strategy

28% of firms are looking to grow by either acquisition or merger

26% of firms don't have a strategic plan



**Asia Pacific / EMEA
Joint Regional Meeting**

Cross-regional Statistical Analysis
May 2014

