

Annual Report

BKR International

2015

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MESSAGE FROM THE WORLDWIDE CHAIR



Happy New Year!

On behalf of BKR International's Worldwide Board, I want to wish you, your family and your associates a happy and healthy new year. 2014 was BKR's 25th anniversary and certainly a year of growth for our association. We added nine new members, and attendance at the Annual Worldwide Meeting in San Francisco was our second highest ever. We introduced a new format for the regional reports, which was very well received, as well as a media panel on the future of our industry. The presentations by Dr. Jason Selk (Relentless Solution Focus), Mac Fulfer (Amazing Face Reading), Mary Dent (Virtual Currencies), and David Cieslak (Technology) were among the highest rated in our history. Coupled with outstanding social events, the 2014 Annual Worldwide Meeting has set a new standard for all future meetings.

We continue to monitor and implement our recently completed strategic plan. This year's focus will be on growing our membership, especially in China, India and Africa, as well as increasing the number of referrals among our members. Stephen Roger and I will soon embark on a trip to India, where we will participate in various media events organized by our Indian firms to help increase BKR's name recognition and recruit new members. We already have a number of potential candidates that will enhance our coverage in this critically important country.

In response to your request to promote BKR in your market area, the Worldwide Board has provided funding for public relations initiatives on a regional basis, and we are already seeing significant traction. EMEA upgraded its website and formalized a social media program, and the Americas Region is increasingly being quoted in the major trade publications. More and more, prospective firms know who we are. Further to this, we are developing both regional and worldwide marketing materials to assist you in attracting new clients as well as recruiting the talent we all need to be successful. Our goal is to have an electronic marketing package that your firm will be able to customize to showcase its unique culture and/or your country's local requirements. In addition, each regional chair and executive director is formalizing a plan to increase membership within its region.

We do need your help to better understand and accurately report the amount and nature of referrals among our members. Please be sure and comply with the quarterly request for this information from our New York Headquarters. We have updated the form to make it easier for you to complete. We on the Worldwide Board continually strive to increase the number and value of the referrals among our members but need accurate reporting to assist us.

2015 will be another outstanding year. Starting with the Asia-Pacific Regional Meeting in Chengdu and closely followed by EMEA's in Stockholm and the Americas' in Philadelphia, we have an exciting line up of speakers, presentations, social activities and networking opportunities. This year's capstone will be the Annual Worldwide Meeting in the "City of Light," Paris, France. Hosted by our Worldwide Vice Chair, Jacqueline Wolfovski, and her partners, we're confident this will be an event that will be long remembered. Please plan on attending several of these meetings. Preliminary details are available on the BKR website.

As always, if you have any suggestions that will make BKR more responsive to your needs, please do not hesitate to let any of the executive directors or me know. As I stated at the San Francisco conference, we on the Worldwide Board serve you, and we need your input to make BKR the best it can be.

I look forward to seeing you at one or more conferences in the next year.

Kindest regards,

A handwritten signature in black ink that reads "Howard M. Rosen". The signature is written in a cursive, flowing style.

Howard M. Rosen, Chair
BKR Worldwide Board

MESSAGE FROM THE AMERICAS REGIONAL CHAIR



Happy New Year from BKR's Americas Region, which consists of 53 firms in North America, three in Central America, and nine in South America. Last year we welcomed new member firms in Cincinnati and Seattle, and lost two members, one in Canada and one in the U.S., both of which merged into larger firms. Consolidation is widespread in the United States, and succession planning continues to be a top priority for our members, particularly as we find ourselves, once again, competing for the top talent necessary to successfully lead our firms into the future.

The Americas Regional Board consists of eight members, including one member from Canada and one from the Dominican Republic. We have a formal board succession plan to assure that the region's future leaders are identified early on and that we are all working together to support the future goals of BKR in our region. In addition, our financial plan to build operating reserves of six months, will be realized in 2015.

The Americas Region offers a vast variety of services and benefits, much of them centered on our 23 practice groups, which are given a budget for quarterly conference calls, webinars, in-person meetings with guest speakers, and/or to develop toolkits with client brochures and marketing materials. We're forming a new Assurance Practice Group to provide our members with a resource to share information and best practices in their Audit Departments. We've also engaged Ingenuity Marketing Group to help increase name recognition for our organization and our members in national and local press. Due to the great success of having more than a dozen articles published and members quoted throughout the year, we've added social media participation to our marketing initiatives, and now adhere to a formal schedule of posting and tweeting.

Our annual meeting is typically held in May or June. Venues are strategically chosen to be sure that we vary the locations throughout the Americas Region – in 2014 we were in Denver and in 2015 we'll meet in Philadelphia. Future locations identified are Toronto, Louisville, and the Dominican Republic. We strive to bring in the best speakers from both within and outside of our industry to address issues that are the most timely and important to our members: practice management; leadership; succession; staff and client retention; regulatory updates; and technology advances to help streamline it all. In addition, the entire team of the host firm is encouraged to get involved in many of the sessions and events to learn about BKR and the benefits of having peers around the world. The host firm also gets a unique opportunity to increase their name recognition in the local community. They can opt to organize a client reception during the meeting and also work with the college of their choosing to select a deserving accounting student to receive BKR's Scholarship Award.

As BKR International enters its 26th year, I would like to thank all of our members, particularly my fellow board members and the chairs of our practice groups, for their hard work and continued support to make BKR and our region a valuable resource for all of our members worldwide.

A handwritten signature in black ink that reads "Jason L. Tonjes". The signature is written in a cursive, flowing style.

Jason Tonjes, Chair
BKR Americas Regional Board

MESSAGE FROM THE ASIA-PACIFIC REGIONAL CHAIR



2014 was a year of firsts for the Asia-Pacific Region. In the new member arena, we recruited our first firms in the Philippines and Bangladesh. Both firms – Alas, Oplas & Co., Manila, Philippines, and G. Kibria & Co, Dhaka, Bangladesh – contacted us via our website. They saw the benefits of belonging to an association such as BKR International, which offers them like-minded professionals throughout the world who can service their clients and contacts.

Continuing with the fantastic support of our Shanghai member firm, we also recruited two more firms in China. Chengdu Zhongda, Chengdu, is located in one of the fastest growing areas of China. Xinjiang Fangxia CPAs, in Urumqi, is well placed to service BKR in the northeast of China. The Urumqi firm was introduced to BKR during a mentoring visit to our Beijing firm by Sunny Ma (Shanghai) and me. BKR now has five member firms in China, and we are looking to recruit another two firms in 2015.

With the support of the Worldwide Board, we have commenced a focused recruitment and marketing campaign in India. In December, Stephen Roger (Sydney), our regional Executive Director, visited a prospective member firm in the state of Gujarat, and this application will be placed before the Worldwide Board for their review in January 2015. We appreciate the assistance of Manu Chadha (Mumbai) with this campaign.

It is our intention over the next two years to increase our representation in India to seven member firms. In the process, we believe this will increase the profile of BKR in India.

Our second first was the joint Asia-Pacific/EMEA Regional Conference held in Istanbul, Turkey, in May. Istanbul is truly the city where east meets west and was the ideal location for our first joint meeting. Over 150 members attended and the presentations by both member firms and external speakers were exceptional. We received press, radio and television coverage of the conference. The social activities – the city tour, the gala dinner and the Sunday cruise on the Bosphorus – truly highlighted this magnificent city. Thanks to Kursat and Hakin Sahin (Istanbul) and their team for hosting the meeting.

Our Regional Tax Committee has reviewed its terms of reference. Under the chairmanship of Ramchand Jagtiani, Singapore, the committee is looking to update members with pertinent tax, business and fiscal developments worldwide.

Our Regional Standards Committee, under the chairmanship of Jason Croston (Brisbane), continues to present at regional conferences on relevant matters. They also assist Grant Allsopp (Sydney) in the preparation and review of the quarterly audit and accounting update.

Referrals in the region continue to grow and the amount for the past 12 months was nearly \$US300K.

In November, Stephen Roger visited our Kathmandu, Nepal, member firm as part of the region's mentoring program. We find these visits beneficial for both the member and Regional Board. It gives us an opportunity to discuss and explore areas where we may assist the promotion of their firm and make presentations to their team and, if appropriate, selected clients and contacts.

Arrangements are being finalised for our 2015 regional conference to be held at the Ritz Carlton Hotel, Chengdu, China, from 8th to 11th May. We look forward to seeing members from around the world in this fascinating city. We hope you will take the opportunity to visit other cities in China as well.



Nilar Chan, Chair
BKR Asia-Pacific Regional Board

MESSAGE FROM THE EMEA REGIONAL CHAIR



The EMEA Region had another busy year in 2014. We added four new members to the region; two firms in Belgium (one in the Flemish region and one in the Wallonia region), one in Nigeria, and a specialised accounting firm in Luxembourg. We unfortunately had to terminate the memberships of our firms in Congo and Poland.

A number of successful meetings were held throughout the year. March was a busy period for sub-regional events: beginning with the 'Britain, Ireland and Guernsey' group meeting in London; followed by a meeting in Stellenbosch for our members in South Africa, Mauritius, Cameroon and Nigeria; and the revival of a meeting for the Middle East Region in Dubai, attended by firms from the UAE, Egypt, Iraq, Kuwait, Lebanon, Morocco, Palestine and Saudi Arabia.

As previously reported by the Asia-Pacific Regional Chair, we held our first ever joint-regional meeting with them in May. Additional sub-regional meetings were held in Munich in June and in Milan in September for our Central/Eastern European and Alps & Mediterranean members, respectively. Towards the end of November, the region held its regular Business Services and Tax Meetings in Amsterdam, attracting 60 delegates across both meetings.

The EMEA Region's Marketing and PR initiative was also a highlight of the year. The revamped EMEA website, modernising the appeal as well as adding extra functionality to link to social media, was launched in June, as well as a Twitter account for the Executive Director's tweets, a LinkedIn company page for the EMEA Region, and a YouTube channel now containing seven videos.

I was delighted to see the results from the regional survey submitted, which were very encouraging indeed. One of the requests from a number of firms was to assist them in marketing and promoting BKR to their target clients. I am pleased that we have now produced, and sent to members, a Marketing Pack to help in this cause.

It is always pleasing to receive accolades and two awards were granted this year; one being the Acquisition International award for "Accounting Association of the Year – EMEA Region" and the other from the International Accounting Bulletin as runner-up for "Association of the Year 2014" following a submission from the EMEA office, with our Executive Director being present at the awards ceremony. Our regional director also took part as one of 14 select global executives in the IAB Roundtable World Survey discussions at the start of the year.

Our Tax Newsletters, a new initiative from our Tax Committee, have been received favourably and continue to be produced quarterly, along with our EMEA e-updates.

We have more initiatives that will be announced in the New Year and certainly welcome any further suggestions you may have on how to better what you get out of your membership of BKR.

I look forward to our EMEA Regional Meeting in Stockholm in May. This is the first time BKR will have held a meeting in Sweden. We are lining up an exciting programme and details will be available in the new year.

I take this opportunity to wish you and your families season's greetings and the very best for 2015!

A handwritten signature in black ink, appearing to read 'Nilesh Shah', with a horizontal line underneath.

Nilesh Shah, Chair
BKR EMEA Regional Board

2014 IAB WORLD SURVEY RESULTS

■ WORLD SURVEY 2014

ASSOCIATIONS: FEE DATA

Rank 2013	Name	Revenue (\$m)	Growth rate(%)	Fee split (%)							Year-end
				Audit & Accounting	Tax services	Management consulting	Corporate finance	Corporate recovery/ Insolvency	Litigation support	Other	
ASSOCIATIONS											
1	Praxity	4,082.9	10%	48	22	11	1	1	1	16	n/a
2	LEA Global/Leading Edge Alliance (1)	2,909.8	7%	47	33	14	2	1	2	1	Dec-13
3	GGI Geneva Group International (2)	2,028.0	5%	28	30	23	6	5	4	4	Dec-13
4	PrimeGlobal	1,806.2	-11%	55	23	9	3	1	2	7	May-13
5	AGN International	1,667.0	4%	56	22	-	-	-	-	22	Oct-13
6	BKR International	1,360.0	2%	56	31	1	-	-	-	12	Jun-13
7	DFK International (3)	1,093.1	1%	50	28	6	2	3	4	7	Sep-13
8	IAPA (4)	1,073.4	2%	-	-	-	-	-	-	-	n/a
9	Morison International	772.9	7%	59	17	5	5	3	3	9	Dec-13
10	CPA Associates International	654.0	2%	47	32	12	-	-	-	9	Oct-13
11	MSI Global Alliance	623.9	12%	54	25	8	2	1	1	8	Dec-13
12	MGI	558.0	15%	-	-	-	-	-	-	-	Jun-13
13	KS International	349.0	8%	50	18	8	2	2	2	18	n/a
14	JHI Association	344.3	0%	44	35	7	2	1	1	1	Dec-13
15	Integra International	295.1	-1%	45	30	20	-	2	3	-	Oct-13
16	Enterprise Worldwide	292.8	0%	40	38	13	-	-	-	9	Dec-12
17	INPACT	270.9	-11%	53	28	12	1	1	1	5	Dec-12
18	EuraAudit International	239.1	-18%	67	17	7	-	1	-	8	Dec-13
19	ANTEA	236.7	10%	44	26	18	1	1	6	4	Dec-13
20	GMN International	175.7	5%	48	36	8	1	0	1	6	Sep-13
21	Parker Randall International	134.4	1%	55	25	15	5	-	-	-	Dec-13
22	UC&CS Global	86.0	-49%	50	37	13	-	-	-	-	Dec-13
23	Key Will Group	34.8	83%	62	15	9	-	-	-	13	Dec-12
24	ACEE	24.1	2%	50	20	-	-	-	25	5	Dec-13
25	Abacus Worldwide	15.3	351%	44	23	12	3	1	3	14	Dec-13
Total revenue/growth		21,127.6	3%								
<small>Notes: In come contributions from correspondent and non-exclusive member firms may be included in total fee income. (1) LEA Global/Leading Edge Alliance fee income includes \$225m from non-exclusive firms; (2) GGI Geneva Group International figures refer only to accounting/audit firms within GGI and not law firms; (3) DFK fee income includes \$12.2m from correspondent and non-exclusive firms; (4) IAPA fee income includes \$115.3m from correspondent and non-exclusive firms. Source: International Accounting Bulletin</small>											

2015 MEETING SCHEDULE

March 9	BIG Subregional Meeting Offices of Blick Rothenberg LLP London, United Kingdom
March 14	South Africa Subregional Meeting Pretoria, South Africa
May 6-8	BKR Leadership Institute (Session 1) Hilton St. Louis Downtown at the Arch St. Louis, Missouri, USA
May 9-11	ASIA/PACIFIC REGIONAL MEETING The Ritz-Carlton Chengdu, China
May 16-18	EMEA REGIONAL MEETING Radisson Blu Waterfront Hotel Stockholm, Sweden
June 5	BKR Leadership Institute Reunion
June 5	Governmental/Not-for-Profit Accounting and Auditing Practice Group Meeting
June 5-9	AMERICAS REGIONAL MEETING The Westin Hotel Philadelphia, Pennsylvania, USA
August 5-7	BKR Leadership Institute (Session 2) Embassy Suites Chicago - Downtown Chicago, Illinois, USA
October 31- November 3	ANNUAL WORLDWIDE MEETING The Westin Vendome Paris, France
November 12-13	BKR Leadership Institute (Session 3) Vdara Hotel Las Vegas, Nevada, USA
November 13	U.S. Tax Practice Group Meeting Hilton Chicago O'Hare Airport Chicago, Illinois, USA
December 7	Managing Partner Roundtables Hotel TBD Las Vegas, Nevada, USA

MEMBER FIRM COUNTRIES

Albania	Honduras	Palestine
Angola	Hungary	Panama
Argentina	India	Peru
Australia	Indonesia	Philippines
Austria	Iraq	Portugal
Azerbaijan	Ireland	Puerto Rico
Bangladesh	Israel	Romania
Belgium	Italy	Russia
Brazil	Japan	Saudi Arabia
Bulgaria	Jordan	Serbia
Cameroon	Korea	Singapore
Canada	Kuwait	South Africa
Channel Islands	Lebanon	Spain
Chile	Liechtenstein	Sweden
China	Luxembourg	Switzerland
Colombia	Malaysia	Taiwan
Cyprus	Malta	Togo
Czech Republic	Mauritius	Turkey
Denmark	Mexico	Ukraine
Dominican Republic	Montenegro	United Arab Emirates
Ecuador	Morocco	United Kingdom
Egypt	Nepal	United States of America
France	Netherlands	Uruguay
FYR Macedonia	New Zealand	Venezuela
Germany	Nigeria	Vietnam
Greece	Norway	
Guatemala	Pakistan	