

## Praktijkvoorbeelden van kernpunten van de controle 2013

N.B. De volgende voorbeelden van kernpunten van de controle zijn slechts ter illustratie van onderwerpen die in de kernpunten van de controle aan bod kunnen komen. Zij laten zien hoe er in de praktijk is omgegaan met de beschrijving van kernpunten van de controle. Deze Nederlandse en Engelse praktijkvoorbeelden sluiten niet aan bij de huidige structuur van ontwerp Standaard 702N, maar kunnen toch bruikbaar zijn als referentiekader. Deze praktijkvoorbeelden zijn een bloemlezing van de in 2013 afgegeven controleverklaringen in Nederland en het Verenigd Koninkrijk waarin kernpunten van de controle zijn opgenomen. Soms zijn alle kernpunten uit een verklaring overgenomen soms slechts één of enkele.

Bedrijf	Kernpunten van de controle inclusief link
<p>1. <b>Vastned</b> (Deloitte D.A. Sonneveldt))</p>	<p><b>1. De verantwoording van de aan- en verkoop van vastgoedbeleggingen</b> Wij hebben de verantwoording van de aan- en verkoop van vastgoedbeleggingen gecontroleerd aan de hand van de onderliggende (ver)koopcontracten, leveringsakten en (des)investeringsvoorstellen. Daarnaast hebben wij voor elke transactie de juistheid van de autorisatie vastgesteld.</p> <p><b>2. De waardering van vastgoedbeleggingen</b> Wij hebben met behulp van interne vastgoedwaarderingsexperts de waarde van het vastgoed geverifieerd aan de hand van onderliggende taxatierapporten. Het door de taxateurs gehanteerde 'Fair Value' waardebegrip hebben wij getoetst aan de hand van IAS 40. Tevens hebben wij de relevante factoren die van invloed zijn op de taxatiewaarde van een object kritisch beoordeeld en besproken met de externe taxateurs en de verantwoordelijke portfoliomanagers.</p> <p><b>3. De waardering en verwerking van rentederivaten</b> Wij hebben de waarde van de derivaten, met behulp van interne waarderingsexperts van financiële instrumenten, geverifieerd aan de hand van overzichten van de bank. Tevens hebben wij de verwerking beoordeeld op basis van toetsing van de hedgedocumentatie en de effectiviteitsberekeningen.</p> <p><b>4. Het voldoen aan de leningconvenanten</b> De vennootschap heeft voor de financiering van haar bedrijfsactiviteiten een aantal leningen afgesloten waarvoor met de bank afspraken zijn gemaakt vastgelegd in convenanten. Wij hebben de onderliggende berekening voor de convenanten beoordeeld aan de hand van de contracten en de financiële informatie ultimo 2013.</p> <p><b>5. Het risico van doorbreking van interne beheersingsmaatregelen door de leiding van de huishouding</b> Wij hebben organisatiegerichte werkzaamheden en een gegevensgerichte steekproef/deelwaarneming op geboekte journaalposten uitgevoerd teneinde het risico van fraude door het management en het doorbreken van interne beheersingsmaatregelen te identificeren en te mitigeren; ook hebben wij materiële schattingen gemaakt door management en de onderbouwingen daarbij kritisch beoordeeld.</p> <p><a href="http://www.vastned.nl/Upload/NL_001-230-def.pdf">http://www.vastned.nl/Upload/NL_001-230-def.pdf</a></p>
<p>2. <b>Reed Elsevier</b> (Deloitte Douglas King)</p>	<p><b>1. The assessment of the carrying value of goodwill and acquired intangible assets;</b></p> <p><b>Risk</b> The combined businesses had £4,576m of goodwill and £2,404m of acquired intangible assets as at 31 December 2013. The quantum of these balances together with the inherent judgements required to be made when performing an impairment review have resulted in us considering this a significant risk.</p> <p><b>Response</b></p>

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	<p>We challenged management's assumptions used in the impairment model for goodwill and acquired intangible assets, described in note 14 to the combined financial statements, including specifically the cash flow projections, discount rate, perpetuity growth rates and sensitivities used.</p> <p><b>2. The carrying value of internally developed intangible assets in accordance with IAS38 "Intangible Assets";</b></p> <p><b>Risk</b> The closing net book value of all capitalised development projects is £720m. The quantum of these balances together with the inherent judgements required to be made when performing an impairment review have resulted in us considering this a significant risk.</p> <p><b>Response</b> We challenged management's assessment as to whether development projects in-progress were still expected to deliver sufficient positive economic benefits to the combined businesses upon their completion, and for completed development projects, considered whether the useful economic lives selected remained appropriate.</p> <p><b>3. Revenue recognition, including the timing of revenue recognition and the accounting for multiple element arrangements;</b></p> <p><b>Risk</b> Reed Elsevier's businesses continue to evolve and new business models can result in new revenue arrangements. This can result in circumstances which require careful consideration to determine how revenue should be recognised.</p> <p><b>Response</b> We performed tests of controls over revenue recognition, including the timing of revenue recognition and the accounting for revenue recognition in multiple element arrangements, as well as substantive testing, analytical procedures and assessing whether the revenue recognition policies adopted complied with IFRS.</p> <p><b>4. The valuation of amounts recorded for uncertain tax positions;</b></p> <p><b>Risk</b> Reed Elsevier operates in a significant number of jurisdictions around the world, all with differing tax regimes with complex cross-border arrangements, and is therefore open to challenge from multiple tax authorities.</p> <p><b>Response</b> We considered the appropriateness of management's assumptions and estimates in relation to uncertain tax positions, challenging those assumptions and considering advice received by management from external parties to support their position.</p> <p><a href="http://www.reedelsevier.com/investorcentre/reports%202007/Pages/2013.aspx">http://www.reedelsevier.com/investorcentre/reports%202007/Pages/2013.aspx</a></p>
3. <b>Vopak</b> (PWC M. de Ridder)	<p><b>1. Impairment testing of tank terminal assets</b> The Group operates tank terminal assets in 77 locations, of which 53 locations are under Group control with a total carrying value of EUR 3,307 million (Note 13), and 22 locations are under joint control with a total proportional value of EUR 1,717 million (Note 7) and 2 where the Group has significant influence (Note 7). This area is significant to our audit as the size of the asset carrying value and</p>

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	<p>recoverability of these invested amounts requires significant judgement. Such judgement focuses predominantly on future contractual revenue, which is, amongst others, dependent on the continued attractiveness of the terminal location for users along the major shipping routes and local market circumstances. Management assesses bi-annually if the forecasted financial return of the terminal assets has changed to an outcome below a benchmark based on the weighted average cost of capital for that country. For the latter the Group involves an external valuation expert to assist in the calculation. In 2013 the Group impaired assets totalling to EUR 21.4 million (Note 13).</p> <p>Amongst others, we evaluated the Group's policies and procedures to identify triggering events for potential impairment of tank terminal assets. For the terminal locations that triggered management's test, we reconciled the recoverable amounts to cash flow forecasts as included in the terminal master plans or in certain situations to market multiples from recent tank terminal sales transactions in the region. We challenged management's main cash flow assumptions and corroborated them by comparing them to commercial contracts and inquiries as included in the Group's client management portal, available market reports and historic trend analyses. We also involved our valuation experts to analyse the weighted average cost of capital by country as applied by the Group.</p> <p><b>2. Measurement of and change in accounting for pensions</b>  The Group operates defined benefit plans in the Netherlands, Belgium, Germany, UK and the US, giving rise to a net pension liability of EUR 66.3 million (Note 26). The net pension liability includes a discounted defined benefit pension obligation totalling to EUR 1,038 million (Note 26). We focused on this because of the magnitude of the amount, its measurement requiring significant judgement and technical expertise and the significant changes in accounting standards for pensions in 2013 (IAS 19R).</p> <p>Amongst others, we involved our experts to assist us in evaluating the actuarial assumptions and valuation methodologies used by the Group. We also confirmed whether the methods to determine key actuarial assumptions are consistently applied, evaluated the rationale for any changes, as well as challenged the reasonableness of the assumptions, by comparing these to benchmark ranges based on market conditions and expectations at the balance sheet date and comparison with peer companies. We also compared the membership census data used in the actuarial models to the payroll data of the Group. We assessed that management appropriately applied the guidance in IAS 19R in its pension calculations and disclosures.</p> <p><b>3. IFRS 13 impacts the Group's derivatives with long duration</b>  The Group has a derivatives portfolio that includes long dated cross currency swaps (Note 30). The adoption of IFRS 13 in 2013 has a relatively large impact on the valuation of the Group's derivatives in view of their long maturities and the exchange of principal at maturity date. Combined with the recent market developments, including the volatility of the currency basis spread, this has made the valuation of derivatives an area of focus in our audit.</p> <p>We involved our valuation experts in the audit of derivatives. We have audited the valuation of derivatives by testing the input of contracts in the Group's new external valuation system which was introduced in 2013. We subsequently verified that the correct curves have been selected for cash flow discounting purposes as well as the mathematical accuracy of the new valuation model used. We have also traced the valuation of the Company's derivatives to confirmations from its counterparties and to the disclosures as included in Note 30.</p> <p><b>4 Significant IT migration for the Netherlands business</b>  In 2013, the Netherlands business has migrated to a new IT system for its main financial reporting processes. We have focused on this migration due to the inherent risk of error and the impact such an error may have on the control environment of the Group's largest</p>

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	<p>operating segment. In this context we involved our IT specialists and assessed, amongst other things, the quality controls governing the implementation of the new IT system, the configuration within the new system's modules, the interaction between the modules, the segregation of duties and the configuration of expected automated application controls. We also tested the migration of general ledger data from the legacy IT system to the new IT system.</p> <p><a href="http://www.vopak.com/fileadmin/Downloads/Vopak_Annual_Report_2013.pdf">www.vopak.com/fileadmin/Downloads/Vopak_Annual_Report_2013.pdf</a></p>
<p>4. <b>TNT Express</b> (PWC R. Dekkers)</p>	<p><b>1. Assets of TNT Brazil classified as held for disposal</b> The assets and liabilities of TNT Brazil are reported as an asset held for disposal on the balance sheet and presented as a discontinued operation in the income statement as of the first quarter in 2013. A specific disclosure is included in note 8 to the financial statements. The valuation and the intention to sell assumption related to this entity are significant to the financial statements and our audit.</p> <p>This involves management judgment given the nature of the business and the related negotiations concerning the disposal. On 30 January 2014, TNT Express N.V. announced that it would retain its Brazilian domestic business. As part of our procedures we considered the accounting treatment as well as the disclosure as a subsequent event in note 35.</p> <p><b>2. Strategic initiatives</b> The company is currently engaged in a number of strategic initiatives, most notably the Deliver! programme. These initiatives impacted our audit as follows:</p> <ul style="list-style-type: none"> <li>- The new reportable structure resulted in a change in reportable segments under IFRS 8 (refer to note 34 to the financial statements).</li> <li>- The company announced a number of restructuring initiatives during the year. In our audit we addressed the appropriateness and timely recognition of costs and provisions in accordance with IAS 37. These recognition criteria are detailed and depend upon local communication and country specific labour circumstances. We refer to note 11 to the financial statements.</li> <li>- We have identified an increased risk in the company's control environment in areas where these organisational changes took place and specifically discussed this risk, management's mitigating actions, and our observations with the company's Executive Board and Audit Committee. We refer to chapter 4 section V, Risk Management.</li> </ul> <p><b>3. Sensitivities with respect to the valuation of goodwill</b> As a result of changes to the organisational structure, the Company performed a goodwill impairment test during the second quarter of 2013 which led to an impairment charge of €296 million. Subsequently, during the 2013 fourth-quarter closing process, the annual goodwill impairment test was performed resulting in sufficient headroom concerning the carrying value of goodwill. The assumptions and sensitivities in the 2013 fourth-quarter impairment test are disclosed in note 1 to the financial statements. These impairment tests are significant to our audit because the assessment process is complex and requires management judgement, and is based on assumptions that are affected by expected future market conditions. As a result, our audit procedures included, amongst others, using a valuation specialist to assist us in evaluating the assumptions and methodologies used by TNT Express N.V., in particular those relating to the forecast revenue growth and the weighted average cost of capital for various cash generating units. We also focused on the adequacy of the company's disclosures regarding those assumptions.</p> <p><b>4. Airplanes reclassified to fixed assets</b></p>

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	<p>Two Boeing 747 freighters were reclassified from 'assets held for disposal' to 'property, plant and equipment' because a disposal under acceptable conditions was no longer viable. This changes the underlying valuation from fair value to carrying value in the financial statements as disclosed in note 8 to the financial statements. During our audit we identified this valuation risk and performed procedures focused on the timely reclassification and valuation of the airplanes. We reviewed independent valuation reports which support the valuation of these airplanes.</p> <p><b>5. Assumptions and forecasts underlying valuation of deferred tax assets and uncertain tax positions</b>  The Group operates in various countries with local tax regulations. The country specific tax risks are a significant risk in our audit as these could entail potential material amounts due. Our procedures included, amongst others, the involvement of tax specialists. TNT Express has disclosed the tax risks in note 28 to the financial statements.</p> <p>The company has recorded deferred tax assets in the financial statements resulting from temporary differences and losses carried forward of €198 million, as disclosed in note 23 to the financial statements. The Company recognises these deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. The realisation probability is impacted by uncertainties regarding the realisation of such benefits, including the expiration date of losses and future taxable income. Our audit procedures included, amongst others, evaluating assumptions and methodologies used by the company to determine the recoverable amount per country.</p> <p><b>6. Risk of management override of internal controls</b>  The company operates in multiple jurisdictions and is subject to the risk of management override of controls. In order to address this risk, the company has established a comprehensive governance structure as detailed in chapter 4 of the annual report. In our audit, we performed procedures which allow us to rely, to the extent possible, on management's governance structure. We also perform additional audit procedures designed to identify the risk of management override of controls. These procedures included, amongst others, an assessment of the 'tone-at-the-top', budget to actual analysis, consideration of bonus schemes, assessment of internal control deficiencies, follow-up on whistleblower allegations, revenue recognition and cost cut off procedures, as well as examination of manual journal entries. We also maintained unpredictability in our audits and made specific enquiries at different levels in the organisation to establish consistency.</p> <p><a href="http://www.tnt.com/content/.../AR2013/tnt-express-annual-report-2013.pdf">www.tnt.com/content/.../AR2013/tnt-express-annual-report-2013.pdf</a></p>
<p>5. <b>SBM Offshore</b>  (KPMG P.W.J. Smorenburg)</p>	<p><b>1. Revenue recognition on construction contracts involves significant judgement</b>  The engineering and construction of Floating Production Storage and Offloading systems (FPSOs) is complex and exposes the Company to various business and financial reporting risks. Revenue arising from construction contracts, in its Turnkey segment, represents more than 75% of the Group's total revenue. The recognition of revenue and the estimation of the outcome of construction contracts requires significant management judgement, in particular with respect to estimating the cost to complete and the amounts of variation orders to be recognised. In addition, significant management judgement is required to assess the consequences of various legal proceedings in respect of construction contracts. Reference is made to 4.2.6 Notes to the Consolidated Financial Statements, Accounting principles, C. Critical accounting policies, (e) Revenue: Construction contracts.</p> <p>We identified revenue from construction contracts as a significant risk, requiring special audit consideration. Our audit procedures</p>

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	<p>included an evaluation of the significant judgements made by management, among others based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and technical staff of the Company. We also tested the controls that the Company has put in place over its process to record contract costs and contract revenues and the calculation of the stage of completion. In addition we visited two projects under construction. Furthermore, we discussed the status of legal proceedings in respect of construction contracts, examined various documents in this respect and obtained lawyers' letters.</p> <p><b>2. Lease classification is complex and requires significant judgement</b>  The Company's primary business is to enter into lease agreements for FPSOs with its clients. This concerns both finance leases, in which the risks and rewards are substantially transferred to the client and operating leases, in which the Company retains significant risks of ownership of the FPSO. The classification of a lease agreement, either as a finance lease or an operating lease, is complex and requires significant management judgement. Furthermore, the classification determines the timing of revenue recognition and the presentation in the statement of financial position. Reference is made to 4.2.6 Notes to the Consolidated Financial Statements, Accounting principles, C Critical accounting policies, (b) Leases: Accounting by lessor.</p> <p>Our audit procedures included an examination of new lease agreements and modifications thereof, an evaluation of the significant management's judgements with respect to the classification, based on the criteria for finance lease or operating lease, as described in IAS 17 Leases. Furthermore, we assessed the proper recognition of revenues and the presentation in the statement of financial position in respect of the lease agreements.</p> <p><b>3. Contingent liability following internal investigation into alleged improper sales practices</b>  The Company announced with a press release on 10 April 2012 that it had become aware of certain sales practices involving third parties which may have been improper. Reference is made to 4.2.6 Notes to the Consolidated Financial Statements, Note 29 Commitments and contingencies. The investigation identified that there are indications that substantial payments were made, mostly through intermediaries, which appear to have been intended for government officials. This matter required special audit consideration due to its nature.</p> <p>We have assessed the progress and the findings from the investigation and examined various documents in this respect. Our procedures included regular discussions with the Management Board and lawyers responsible for the investigation, an assessment of the remediation measures taken by the Company, verification of agents' fees paid during the year and obtaining lawyers' letters with respect to their activities. Furthermore we assessed the adequacy of the disclosure in this respect in Note 29, which describes that the outcome of the investigation may lead to significant penalties, fines or other consequences, which may have a material financial impact on the Company, however a reliable estimate can not be made at this stage. Therefore, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision has not been recognised in the statement of financial position as at 31 December 2013.</p> <p><a href="http://www.sbmoffshore-annualreport.com/2013/docs/SBM_AR_2013/index.php?nr=0&amp;language=en&amp;r_code=SBM_AR_2013">http://www.sbmoffshore-annualreport.com/2013/docs/SBM_AR_2013/index.php?nr=0&amp;language=en&amp;r_code=SBM_AR_2013</a></p>
<p>6. <b>Sligro</b> (KPMG P.W.J. Smorenburg)</p>	<p><b>1. Schattingsonzekerheid in de waardering van leveranciersbonussen</b>  De grondslagen bevatten onder punt H2 een toelichting op de verschillende soorten vergoedingen van leveranciers, zoals bonussen, promotionele vergoedingen en betalingskortingen. Deze leveranciersbonussen zijn een significante component van de inkoopwaarde van de omzet. Naast generieke afspraken via Inkoopcombinatie Superunie, betreft het een groot aantal specifieke afspraken met individuele leveranciers. Een gedeelte van de leveranciersbonussen is ontvangen gedurende het boekjaar, maar een aanzienlijk bedrag wordt pas geïncasseerd na balansdatum.</p>

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	<p>Verwezen wordt naar punt 15 van de jaarrekening. De toetsing van het te vorderen bedrag per balansdatum vereist in enige mate professionele oordeelsvorming.</p> <p>Wij hebben de interne beheersingsmaatregelen van de vennootschap met betrekking tot het proces van leveranciersbonussen en de bewaking van de vordering per leverancier getest. Daarnaast hebben we de afloop van de vordering per 29 december 2012 (voorgaand boekjaar) beoordeeld, cijferanalyses uitgevoerd op omzet, inkoopwaarde van de omzet en brutowinst, alsmede de vordering per 28 december 2013 op leveranciers, via Inkoopcombinatie Superunie, gecontroleerd aan de hand van de opgave van Inkoopcombinatie Superunie.</p> <p><b>2. Gevoeligheden ten aanzien van de waardering van goodwill Foodretail</b>  De goodwill Foodretail betreft een significant bedrag op de balans van de vennootschap. De vennootschap is, op basis van EU IFRS, verplicht om jaarlijks het bedrag van de goodwill te onderzoeken op bijzondere waardevermindering (impairment). Deze jaarlijkse impairment test was significant voor onze controle, gezien de marktontwikkelingen en omdat het inschattingproces in enige mate complex en subjectief is en gebaseerd is op veronderstellingen.  Voor Foodretail is de realiseerbare waarde bepaald op basis van de geschatte directe opbrengstwaarde na aftrek van verkoopkosten. De vennootschap analyseerde de prijzen die de afgelopen periode in de markt zijn betaald voor individuele, respectievelijk groepen van supermarktvestigingspunten, alsmede in de markt bekende vermenigvuldigingsfactoren, bijvoorbeeld een percentage van de omzet. Wij verifieerden de bronnen waarop de test was gebaseerd en beoordeelden de redelijkheid van de gehanteerde veronderstellingen.</p> <p>We hebben ook aandacht besteed aan de toelichtingen van de vennootschap over de veronderstellingen en de uitkomst van de impairment test. De toelichtingen van de vennootschap over de goodwill zijn opgenomen in punt 10 van de jaarrekening. Daar wordt specifiek vermeld dat de directe opbrengstwaarde ruim boven de boekwaarde van de goodwill (en overige activa) van Foodretail ligt.</p> <p><b>3. Betrouwbaarheid en continuïteit van de geautomatiseerde gegevensverwerking</b>  De vennootschap is in belangrijke mate afhankelijk van de IT-infrastructuur voor de continuïteit van de bedrijfsactiviteiten. In de afgelopen jaren heeft de vennootschap aanzienlijke bedragen geïnvesteerd in de verbetering van de IT-hardware, -systemen en -processen, gericht op het vergroten van de effectiviteit van de IT-infrastructuur en de betrouwbaarheid en continuïteit van de geautomatiseerde gegevensverwerking. Verwezen wordt naar de paragraaf Risico en risicobeheersing in het jaarverslag.</p> <p>Wij hebben de betrouwbaarheid en continuïteit van de geautomatiseerde gegevensverwerking beoordeeld, uitsluitend voorzover noodzakelijk binnen de reikwijdte van de controle van de jaarrekening. Daarbij hebben we gespecialiseerde IT-auditors opgenomen in ons controleteam. Onze werkzaamheden bestonden uit de beoordeling van de ontwikkelingen in de IT-infrastructuur en het testen van de voor onze controle relevante interne beheersingsmaatregelen met betrekking tot IT-systemen en -processen. In onze management letter aan het bestuur hebben we aanbevelingen gedaan, gericht op verdere mogelijke verbeteringen op dit gebied. Verwezen wordt naar het bericht van de raad van commissarissen.</p> <p><a href="http://www.sligrofoodgroup.nl/upload/deadd6d6-e99c-4eae-b4c2-2e3f1762272a_Jaarverslag%202013%20NL%20LR.pdf">http://www.sligrofoodgroup.nl/upload/deadd6d6-e99c-4eae-b4c2-2e3f1762272a_Jaarverslag%202013%20NL%20LR.pdf</a></p>
7. Neways (EY M.J. Moolenaar)	<p><b>Brand Neways Electronics Kassel heeft een significant effect op de jaarrekening</b>  Zoals opgenomen in punt 18, is in september 2013 de werkmaatschappij Neways Electronics Kassel geconfronteerd met een brand die geresulteerd heeft in een force majeure en een onderbreking van de gehele productie op deze locatie. Onmiddellijk na het vaststellen</p>

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	<p>van de gevolgen van de brand heeft het management zich geconcentreerd op het tijdig informeren van de klanten en het opvangen en verplaatsen van de productie naar andere Neways werkmaatschappijen. In december 2013 heeft Neways Electronics International N.V. een vaststellingsovereenkomst afgesloten met de verzekeringsmaatschappij waarin overeenstemming is bereikt over de compensatie met betrekking tot de bedrijfsschade en de schade aan activa zoals voorraad en machines.</p> <p>In de controle hebben we aandacht besteed aan de kosten die door Neways gemaakt zijn gerelateerd aan de brand alsmede aan de door de brand verwoeste materiële vaste activa en voorraden.</p> <p>Tevens hebben we de juistheid van de classificatie in de jaarrekening alsmede de volledigheid van de nog in 2014 aan de brand gerelateerde kosten en te verwachten uitbetalingen beoordeeld. Daarnaast hebben we de vaststellingsovereenkomst beoordeeld en de financiële verwerking hiervan in de jaarrekening getoetst. De toelichting is opgenomen in punt 18 van de jaarrekening.</p> <p><b>Gevoeligheden ten aanzien van de waardering van goodwill</b></p> <p>Neways Electronics International N.V. is, op basis van EU-IFRS, verplicht om jaarlijks het bedrag van de goodwill te onderzoeken op bijzondere waardevermindering (impairment). Deze jaarlijkse impairment test was significant voor onze controle, omdat het inschattingproces complex en in hoge mate subjectief is en gebaseerd is op veronderstellingen. Deze veronderstellingen worden beïnvloed door verwachte toekomstige markt- of economische omstandigheden.</p> <p>Als gevolg daarvan hebben wij bij onze controlewerkzaamheden onder meer gebruik gemaakt van de werkzaamheden van een waarderingsdeskundige om ons te helpen met de evaluatie van de veronderstellingen en methoden die door de entiteit zijn gebruikt. Wij hebben daarbij vooral aandacht besteed aan de veronderstellingen voor de verwachte omzetgroei en de winstmarges in de Electronics Manufacturing Services (EMS) markt.</p> <p>We hebben ook aandacht besteed aan de toelichtingen van Neways Electronics International N.V. over de veronderstellingen waarvoor de uitkomst van de impairment test het meest gevoelig is. Dat wil zeggen de veronderstellingen die het meest van invloed zijn op de bepaling van de realiseerbare waarde van de goodwill. Daarbij hebben wij getoetst of deze toelichtingen toereikend zijn en voldoende inzicht geven in de keuze voor de veronderstellingen en de gevoeligheden van de veronderstellingen voor de waardering.</p> <p>De toelichtingen van Neways Electronics International N.V. over de goodwill zijn opgenomen in punt 6 van de jaarrekening.</p> <p><b>Voorgenomen sluiting Neways Electronics Kassel en verplaatsing activiteiten Neways Electronics Echt</b></p> <p>Mede ingegeven door de brand in Kassel heeft Neways Electronics International N.V. in december 2013 het besluit genomen tot beëindiging van de activiteiten in Neways Electronics Kassel. De opgenomen voorziening is gebaseerd op een met de ondernemingsraad geaccordeerd sociaal plan voor de betreffende werknemers. Wij hebben ons gericht op deze reorganisatie en de financiële verwerking hiervan omdat deze van materieel belang is voor de jaarrekening. We hebben de juistheid van de berekening getoetst aan de hand van de vaststellingsovereenkomsten met de betrokken medewerkers.</p> <p>In januari 2013 heeft Neways Electronics International N.V. aangekondigd de activiteiten van Neways Electronics Echt te verplaatsen naar andere werkmaatschappijen in de groep. Een deel van de werknemers is binnen de groep herplaatst. Tevens heeft afvloeiing van een aantal werknemers plaats gevonden. In onze controle hebben we aandacht besteed aan de schatting van de verwachte kosten, de gerealiseerde kosten alsmede de toelichting hieromtrent in de jaarrekening. De toelichting op beide reorganisaties is opgenomen in punt 14, 19 en 21 van de jaarrekening.</p> <p><b>Transacties met verbonden partijen</b></p> <p>In 2013 is Neways Electronics International N.V. een aantal transacties met verbonden partijen aangegaan die significant zijn voor</p>



Bedrijf	Kernpunten van de controle inclusief link
	<p>onze controle daar deze als niet gebruikelijk voor de normale bedrijfsvoering kunnen worden aangemerkt.</p> <p>Met één van de groot aandeelhouders wordt overleg gevoerd omtrent beëindiging van een doorlopend huurcontract als gevolg van de brand in Kassel en de daarop volgende reorganisatie. Voor een beschrijving van onze werkzaamheden verwijzen we naar bovenstaande paragraaf "Brand Neways Kassel heeft een significant effect op de jaarrekening". Tevens is een kortlopende lening verstrekt aan een bestuurder van de onderneming. We hebben de overeenkomst tussen deze bestuurder en Neways Electronics International N.V. beoordeeld en de toereikendheid van de toelichting hiervan in de jaarrekening getoetst. De toelichtingen van Neways Electronics International N.V. omtrent deze en andere transacties met verbonden partijen is opgenomen in punt 24 van de jaarrekening.</p> <p><a href="http://www.jaarverslagneways2013.nl/">http://www.jaarverslagneways2013.nl/</a></p>
<p>8. <b>Beter Bed</b> (EY W.J. Spijker)</p>	<p><b>Sluiting van Slaapgenoten, Matrassen Concord Nederland en België</b></p> <p>Zoals opgenomen onder "Herstructurering Benelux" (bladzijde 67) in de jaarrekening heeft Beter Bed Holding N.V. in januari 2014 de voorgenomen sluiting van de formules van Slaapgenoten, Matrassen Concord Nederland en België aangekondigd. We hebben ons op dit onderwerp gericht omdat de voorgenomen sluiting een materiële invloed heeft op het resultaat over 2013 en de resultaten onderhevig zijn aan subjectieve inschattingen gebaseerd op veronderstellingen zoals een onderhuur kans en inschattingen van de realiseerbare waarde van de activa. De kosten die zijn opgenomen in de jaarrekening hebben betrekking op toekomstige verplichtingen uit lopende huurcontracten inclusief eventuele contractuele servicekosten, de voorziening op de voorraad en de afwaardering van bijbehorende materiële vaste activa.</p> <p>In de controle hebben we aandacht besteed aan de kosten die door Beter Bed zijn ingeschat voor de aangekondigde sluiting. We hebben de toekomstige verplichting uit hoofde van lopende huurcontracten beoordeeld aan de hand van de bestaande contracten en daarnaast hebben we de inschatting van de kans op onderhuur beoordeeld. Voor de voorraad en materiele vaste activa hebben we beoordeeld in hoeverre er mogelijkheden zijn om deze te verkopen en te gelde te maken. We hebben de financiële verwerking hiervan in de jaarrekening getoetst. De toelichting is opgenomen onder "Herstructurering Benelux" (bladzijde 67) van de jaarrekening.</p> <p><a href="http://2013.jaarverslagbeterbedholding.nl/jaarverslag-2013/S_1087_Jaarverslag20121/S_1115_Overigegegevens29/S_1117_Controleverklaring31/a1104_default">http://2013.jaarverslagbeterbedholding.nl/jaarverslag-2013/S_1087_Jaarverslag20121/S_1115_Overigegegevens29/S_1117_Controleverklaring31/a1104_default</a></p>
<p>9. Rolls Royce (KPMG UK Jimmy Daboo)</p>	<p><b>The measurement of revenue and profit in the Civil aerospace business</b></p> <p><i>Refer to page 81 (Key areas of judgement – Long-term aftermarket contracts), page 83 (Significant accounting policies – Revenuerecognition) and page 44 (Audit committee report – Financial reporting)</i></p> <p><b>The risk</b></p> <p>The amount of revenue and profit recognised in a year on the sale of engines and aftermarket services is dependent, inter alia, on the assessment of the percentage of completion of long-term aftermarket contracts and the forecast cost profile of each arrangement. As long-term aftermarket contracts can extend over significant periods and the profitability of these arrangements typically assumes significant life-cycle cost improvement over the term of the contracts, the estimated outturn requires significant judgement to be applied in assessing engine flying hours, time on wing and other operating parameters, the pattern of future maintenance activity and the costs to be incurred. The inherent nature of these estimates means that their continual refinement can have an impact on the profits of the Civil aerospace business that can be significant in an individual financial year. The assessment of the estimated outturn for each arrangement involves detailed calculations using large and complex databases with a significant level of manual intervention.</p>

Bedrijf	Kernpunten van de controle inclusief link
	<p><b>Our response</b></p> <p>We tested the controls designed and applied by the Group to provide assurance that the estimates used in assessing revenue and cost profiles are appropriate and that the resulting estimated cumulative profit on such contracts is accurately reflected in the financial statements; these controls operated over both the inputs and the outputs of the calculations. We challenged the appropriateness of these estimates for each programme and assessed whether or not the estimates showed any evidence of management bias. Our challenge was based on our assessment of the historical accuracy of the Group's estimates in previous periods, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions across programmes, detailed discussions and assessments of the achievability of the Group's plans to reduce life-cycle costs and an analysis of the impact of these plans on forecast cost profiles taking account of contingencies and analysis of the impact of known technical issues on cost forecasts. Our analysis considered each significant airframe that is powered by the Group's engines and was based on our own experience supplemented by discussions with an aircraft valuation specialist engaged by the Group. We assessed whether the valuer was objective and suitably qualified. We also checked the mathematical accuracy of the revenue and profit for each arrangement and considered the implications of identified errors and changes in estimates.</p> <p><b>Our findings</b></p> <p>Our testing identified weaknesses in the design and operation of controls. In response to this we assessed the effectiveness of the Group's plans for addressing these weaknesses and we increased the scope and depth of our detailed testing and analysis from that originally planned. We found no significant errors in calculation. Overall, our assessment is that the assumptions and resulting estimates (including appropriate contingencies) resulted in mildly cautious profit recognition.</p> <p><a href="http://www.rolls-royce.com/reports/2013/assets/pdf/RR_Full%20Annual%20Report_smallest.pdf">http://www.rolls-royce.com/reports/2013/assets/pdf/RR_Full%20Annual%20Report_smallest.pdf</a></p>
<p>10. <b>Vodafone</b> (Deloitte UK Panos Kakoullis)</p>	<p>We identified the following risks that we believe to have had the greatest impact on our audit strategy and scope:</p> <ol style="list-style-type: none"> <li>1. the assessment of the carrying value of goodwill and intangible assets;</li> <li>2. the accounting for the legal claim in respect of withholding tax on the acquisition of Hutchison Essar Limited;</li> <li>3. the recognition and measurement of deferred tax assets in Germany and Luxembourg;</li> <li>4. revenue recognition, including the timing of revenue recognition, the recognition of revenue on a gross or net basis, the treatment of discounts, incentives and commissions and the accounting for multiple element arrangements; and</li> <li>5. the risk of management override of internal control. International Standards on Auditing (UK and Ireland) state that this risk must always be treated as significant.</li> </ol> <p>The way in which we scoped our response to the significant risks identified above was as follows:</p> <ol style="list-style-type: none"> <li>1. we challenged management's assumptions used in the impairment model for goodwill and intangible assets, described in note 12 to the financial statements, including specifically the cash flow projections, discount rates, perpetuity rates and sensitivities used, particularly in respect of the Group's interests in southern Europe;</li> <li>2. we considered the legal advice in connection with management's disclosure in note 21 of contingent liabilities, including the impact of the introduction by the Indian government of legislation which amends Indian tax law with retrospective effect to overturn a judgement in the Group's favour;</li> <li>3. we considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating suitable future taxable profits to support the recognition of deferred tax assets described in note 7, challenging those assumptions and considering supporting forecasts and estimates;</li> </ol>

Bedrijf	Kernpunten van de controle inclusief link
	<p>4. we carried out testing relating to controls over revenue recognition, including the timing of revenue recognition, the recognition of revenue on a gross or net basis, the treatment of discounts, incentives and commissions and the accounting for multiple element arrangements, as well as substantive testing, analytical procedures and assessing whether the revenue recognition policies adopted complied with IFRS; and</p> <p>5. we carried out analytical procedures and journal entry testing in order to identify and test the risk of fraud arising from management override of control.</p> <p><a href="http://www.vodafone.com/content/annualreport/annual_report13/downloads/vodafone_annual_report_2013.pdf">http://www.vodafone.com/content/annualreport/annual_report13/downloads/vodafone_annual_report_2013.pdf</a></p>
<p>11. Amec (EY UK Hywel Ball)</p>	<p><b>1. Revenue recognition on contracts and valuation of gross amounts due from customers and receivables</b>  We performed audit procedures on the controls in place to assess the appropriate determination of the percentage completion of each significant contract. We challenged management in respect of the reasonableness of judgements made regarding the cost to complete estimate, the timing of recognition of variation orders, the adequacy of contingency provisions to mitigate contract specific risks and their assessments around the potential for liquidated damages for projects behind schedule.</p> <p>We consider these to be the key judgemental areas driving the recognition of revenue and margins in respect of long term contracts. We also assessed whether management's policies and processes for making these estimates continue to be robust and are applied consistently to all contracts.</p> <p><b>2. Adequacy of contract and other provisions/Adequacy of legacy liabilities</b>  We challenged and applied professional scepticism to judgements and accounting treatments made by management arising from contractual disputes and other risks. We performed audit procedures on supporting calculations and assumptions to challenge whether these are appropriate in the circumstances and in line with the group's accounting policies as well as the requirements of IFRS. Where appropriate we have held discussions with management's legal experts.</p> <p><b>3. Valuation of pension assets and liabilities</b>  We challenged the key actuarial assumptions used by management to determine the defined benefit pension accounting position. This included holding discussions with the external actuary used to value the schemes. We also performed audit procedures on the input data used by the actuary in the valuations and the disclosures made in the consolidated accounts.</p> <p><b>4. Risk of fraud and management override</b>  Procedures included analytical procedures and journal entry testing in order to identify and address the risk of management override of controls. We designed testing procedures and thresholds for all balances in such a way as to ensure that the risk of fraud and error is mitigated.</p> <p><b>5. Adequacy of taxation provisions</b>  We challenged and applied professional scepticism to tax exposures estimated by management and the risk analysis associated with these exposures along with claims or assessments made by tax authorities to date. We performed audit procedures on the calculation and disclosure of deferred tax to assess compliance with local tax rules and the group's accounting policies including the impact of complex items such as management's assessment of the likelihood of the recoverability of deferred tax assets. These assessments relate to the accuracy of management forecasts and the time period over which assets are likely to be recovered.</p>

Bedrijf	Kernpunten van de controle inclusief link
	<p><b>6. Presentation of discontinued operations</b>  We challenged and applied professional scepticism to judgements made by management in concluding that all relevant criteria had been met in order to classify the UK Conventional Power business as discontinued, in accordance with IFRS. We have also performed audit procedures on the disclosures made in the consolidated accounts.</p> <p><b>7. Recognition and Presentation of research and development government credits</b>  We challenged the appropriateness of the group's accounting policy in respect of the classification of the US research and development government credits within operating profit rather than the tax expense line. As this presentation is judgemental owing to lack of specific guidance in IFRS and mixed practice amongst IFRS reporters in this area, we have agreed that the policy applied is appropriate. This policy is required for the first time this year.</p> <p><a href="http://www.amec.com/investors/online-annual-report/2013/amec-at-a-glance">http://www.amec.com/investors/online-annual-report/2013/amec-at-a-glance</a></p>
<p>12. <b>BAE Systems</b>  (KPMG UK Ian Starkey)</p>	<p><b>Retirement benefit obligations (£3.5bn)</b>  <i>Refer to page 74 (Audit Committee report) and page 162 (accounting policy and financial disclosures)</i></p> <p>As presented in note 23 of the financial statements, the Group's share of the net deficit was £3.5bn after allocating £1.0bn to equity accounted investments and other participating employers. Small changes in assumptions and estimates used to value the Group's retirement benefit obligation, including those supporting the proportion allocated to equity accounted investments and other participating employers, have a significant impact on the Group's share of the retirement benefit obligation.</p> <p>We considered whether the methodology used by the directors, to allocate a proportion of the Group's retirement benefit obligation to the equity accounted investments and other participating employers, was appropriate in estimating such allocation with reference to agreements between the Group and the equity accounted investments and participating employers.</p> <p>We challenged the key assumptions supporting the Group's retirement benefit obligations valuation, with input from our own actuarial specialists. This included a comparison of the discount, inflation and life expectancy assumptions used against externally derived data. We also considered the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to changes in these key assumptions.</p> <p><a href="http://bae-systems-investor-relations-v2.production.investis.com/">http://bae-systems-investor-relations-v2.production.investis.com/</a></p>