



# Accounting Advisory Services

## Bankruptcy services

### When you need us

When your business or a particular business unit is distressed, there are a variety of accounting considerations and a range of additional needs, including:

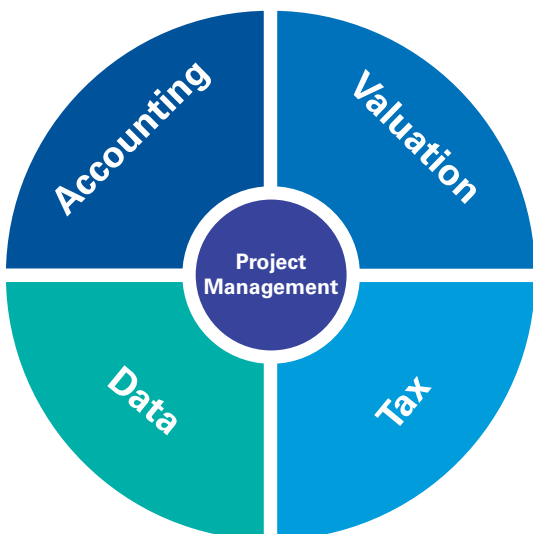
- Goodwill and other asset impairment
- Debt modification
- Prebankruptcy accounting plans
- Bankruptcy and financial reporting during Chapter 11
- Financial reporting upon emergence from Chapter 11.

### What we offer

— **Specialization.** The KPMG Accounting Advisory Services (AAS) serves our clients' accounting and reporting needs for impairments, debt and equity refinancings, operational restructurings, and bankruptcy proceedings, including "fresh start" upon emergence, along with Securities and Exchange Commission (SEC) filing requirements.

- **Integrated approach.** We are confident we have all of the established practices and professionals required to meet your needs within KPMG. We address your needs within a single team united by common experience and effective project management. Such needs typically involve financial reporting and detailed records accounting, valuation of business enterprises and underlying assets, tax planning and the impact of restructuring events, and handling of organizational data pursuant to each work stream.
- **Global reach.** We have an established record of successfully delivering and managing complex, global projects. Our global footprint enables us to meet the needs of our multinational clients through a balance of local and centralized resources while helping to ensure consistent KPMG service and quality.

### KPMG supports clients across various industries



## Example engagements

- **Automotive.** Fresh start accounting upon emergence, including valuation of over one million tangible assets and real estate in over 30 countries
- **Packaging.** Impairment testing of goodwill and long-lived assets (real estate, property, and equipment)
- **Finance.** Accounting for modification of debt, valuation of new capital structure, and fresh start accounting for several million loans, leases, and other financial assets
- **Media.** Reporting during Chapter 11, including segregation of reorganization expenses and liabilities through cancellation or repayment, and pro forma financial statements for bankruptcy disclosure statement
- **Retail.** Data aggregation, accounting, and valuation of over 3,000 real estate leases
- **Telecom.** Restatement of three years of financial statements due to widespread fraud and support with amended SEC filings
- **Gaming.** Fresh start reporting in SEC filings under a new operating and legal entity structure upon emergence from Chapter 11
- **Energy.** Fresh start reporting for emergence and a significant business combination on a pro forma basis for securities offerings

## Our tools

We have invested in technology to create data aggregation and reporting tools that significantly enhance efficiency. They include the KPMG Aggregation and Reporting Tool (KART), bankruptcy disclosure reporting tools, and other Sequel-, Access-, and Excel-based tools that are customized to the particular requirements of the engagement.

Working together, our leading tools for pretax and tax work provide efficient and flexible information across a wide variety of financial information constituents:

- KPMG has an internally developed data aggregation and consolidation tool assists by housing financial data and adjustments such as effects of the plan of reorganization and fresh start entries.
- KART has preestablished, built-in checks and balances to prevent out-of-balance adjustments.

- The tax component is a dynamic database that permits flexibility in capturing amounts in local currency and subconsolidates by jurisdiction and on a worldwide basis. It allows for various state, federal, and international tax rates and foreign currency translation, as well as inputs for uncertain tax positions and valuation allowances.
- Our tools were programed and developed during live engagements to capture real-life functionality. They can handle data for hundreds of foreign and domestic entities.
- The tools help eliminate human error associated with other large Excel-type models and track data by adjustment type, allowing for easy identification of modifications made to source information.
- Our tools summarize data into organized workpapers that promote an easier review process, as well as into standardized financial statement tables to support footnote preparation and review as needed.

## Our credentials

Here is a representative list of our clients:

### Fortune 100

- Enterprise computing provider
- Telecom provider
- Healthcare service provider
- Medical distribution company
- Transaction processing and payment services provider
- Aerospace and building technology company
- Aerospace and defense contractor
- Aerospace and national security solutions contractor
- Diversified machinery and industrial goods manufacturer
- Household and personal products company
- Heavy construction and industrial goods provider

### Fortune 500

- Technology products and services provider
- Video, broadband, phone, and mobile services provider

- Healthcare service company
- Energy infrastructure company
- Financial services and payments technology provider
- Financial services provider

#### **FORTUNE 1000**

- Global IT and software service provider
- Systems software company
- Information processing and management software provider
- Design, engineering, and entertainment software provider
- Travel and tourism technology provider
- Financial services provider
- Aerospace components provider
- Aerospace and energy control systems provider
- Industrial, energy, transportation, and construction products and services company

#### **Why KPMG?**

Our multidisciplinary team attains a holistic view of your needs by combining accounting, valuation, tax, and technology skills:

- Authoritative guidance for complex reporting matters as well as accounting for detailed ledgers (internal and external accounting)
- Valuations of real estate, machinery and equipment, intangible assets, and liabilities
- Data extraction, staging, analysis, and migration back to client platforms through our proprietary aggregation and reporting tool
- Tax impact of capital transactions and bankruptcy proceedings

Our approach involves planning and execution based on our experience and acquired knowledge, as well as leveraging of our prior work product such as:

- Positions on complex accounting topics as documented in memorandums, based on authoritative guidance and precedence
- Proprietary tools to accommodate the large volumes of data required for valuation exercises, designed with regard to proper control and efficient audit and review
- Acquired knowledge of the restructuring and bankruptcy process to understand the impact on operations and reporting.

We help you execute at a faster, more efficient pace with reduced disruption, and we have the trained resources to scale according to your changing needs.



## Contact us

For more information, please contact your local KPMG adviser or one of the following valuation services leaders:

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Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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