COGNITUS
PRODUCTS

HAMILTON ENGINE ARCHITECTURE: A SUB-LEDGER SYSTEM

SOURCE SYSTEMS

ETL

Contract data
Invoice Data
Usage Data

Repository

SAP® Analytics Cloud
SAP S/4 HANA

Revenues
Costs
Contract Assets
Contract Liabilities

IFRS 15 Engine

Posting & Reporting

IFRS 15: 5-step model

1. **Identify** the contract(s)
2. **Identify** the performance obligations
3. **Determine** the transaction price
4. **Allocate** the transaction price
5. **Recognize** revenue (and costs)

▸ Use case driven
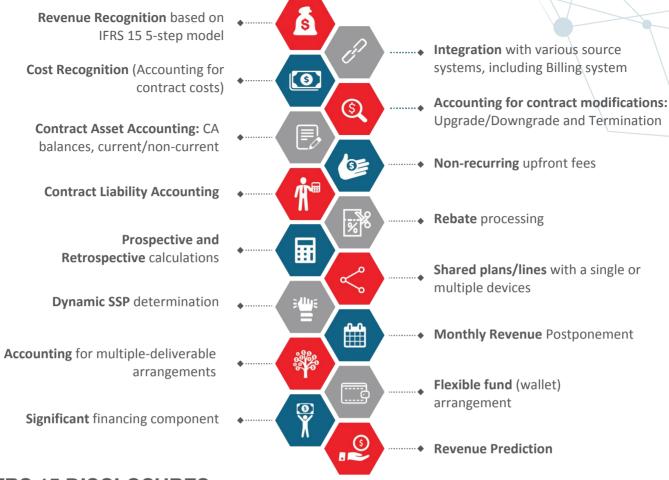▸ Data preparation, enrichment, and validation based on business/ accounting rules.
▸ Error handling

▸ Aggregation algorithm
▸ Robust revenue posting engine
▸ Parallel processing
▸ Flexible account determination
▸ Integrated with SAP ECC & BW G/L reconciliation
▸ Contract assets/liabilities tracking
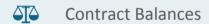▸ POB usage, cost, and revenue
▸ Reporting
▸ Exception management
▸ KPIs

Note: ETL tool is not part of the solution

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FEATURES

- **Revenue Recognition** based on IFRS 15 5-step model
- **Cost Recognition** (Accounting for contract costs)
- **Contract Asset Accounting:** CA balances, current/non-current
- **Contract Liability Accounting**
- **Prospective and Retrospective** calculations
- **Dynamic SSP** determination
- **Accounting** for multiple-deliverable arrangements
- **Significant** financing component

- **Integration** with various source systems, including Billing system
- **Accounting for contract modifications:** Upgrade/Downgrade and Termination
- **Non-recurring** upfront fees
- **Rebate** processing
- **Shared plans/lines** with a single or multiple devices
- **Monthly Revenue** Postponement
- **Flexible fund** (wallet) arrangement
- **Revenue Prediction**

IFRS 15 DISCLOSURES

- Contract Balances
- GL Sub-ledger Balances
- Contract Asset Balances: Current and Non-Current Assets
- Delta and Cumulative Posting
- Assets recognized from the costs to obtain or fulfill a contract
- Significant financing components: Interest income and CA interest suspense
- Disaggregation of revenue
- Performance obligations
- Disclosures under the full retrospective approach
- Disclosures under the modified retrospective approach
- Revenue Prediction

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2002
Cognitus Consulting established

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Regional offices across USA, EMEA, and APAC

350+
Employees globally

sales@hamilton.one