

EXECUTIVE SUMMARY



Hamilton IFRS 15 Comply

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IFRS 15 - Revenue from Contracts with Customers

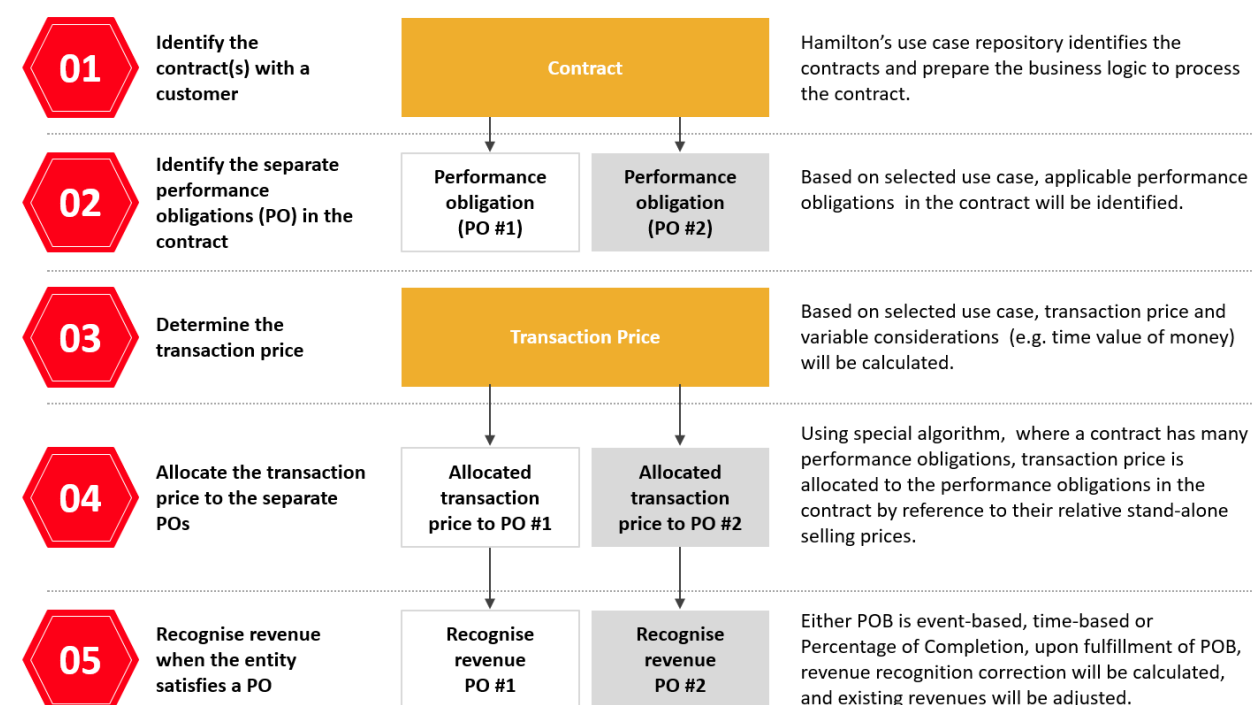
The converged new standard takes effect from 1 January 2018 and introduces sweeping changes to revenue accounting regulations with significant impacts to a broad spectrum of companies across many industry sectors. Chief Financial Officers will now need to re-evaluate their current revenue accounting processes and systems to assess what changes are required to maintain compliance with the new regulatory conditions.

Core Principle:

Recognize Revenue to depict transfer of promised goods or services to customers in an amount that reflects consideration to which entity expects to be entitled in exchange for those goods or services.

The 5-step model in Hamilton engine to achieve the core principle:

STEPS TO ACHIEVE THE CORE PRINCIPLE



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Hamilton engine provides a comprehensive, integrated, and complete solution for IFRS 16 use cases and its mandatory quantitative disclosures.

The following are key benefits supporting Hamilton engine:

- Non-disruptive approach, minimum changes to the existing business process. Minimizing impacts of IFRS 15 and adopting IFRS 15 compliance with ease.
- Being SAP Premium Certified, our unique accounting and compliance add-on solution integrates with your existing SAP software ecosystem without any additional software, hardware, system upgrades, or investments.
- Easy to implement: all objects are configurable which can be completed between 3 to 12 months, including all IFRS 15 quantitative disclosure requirements. Ability to go-live as soon as business data is ready.

- Hamilton is convenient, easy to use, and navigate; natively integrated with SAP ECC or SAP S/4 HANA, which makes integrating with your existing G/L and A/P accounts a breeze.
- It is a one stop solution for IFRS 15 and IFRS 16, as well as adaptable to any future requirements, including any accounting automation requirement in the future.
- Total cost of ownership (TCO) is arguably the lowest in the market for IFRS 15 solution.
- It has rich features and a complete solution for IFRS 15, it supports performance obligation (POB) accounting for combination of POB event-based, time-based and percentage of completion.

Consequences of Non-Compliance

- Non-compliance could cause problems with company audits.
- Ability to source credit lines and find investors will be slim to none.
- Delaying could mean you have to apply the retrospective approach, which is complex and costly.
- Implementation is a time-consuming exercise.
- Outdated key performance indicators.

SAP® Premium Certified
Integration with SAP Applications



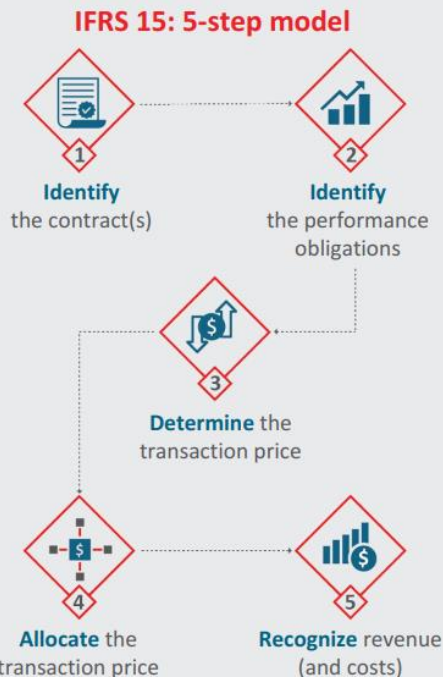
HAMILTON

IFRS 15

HAMILTON ENGINE ARCHITECTURE: A SUB-LEDGER SYSTEM



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



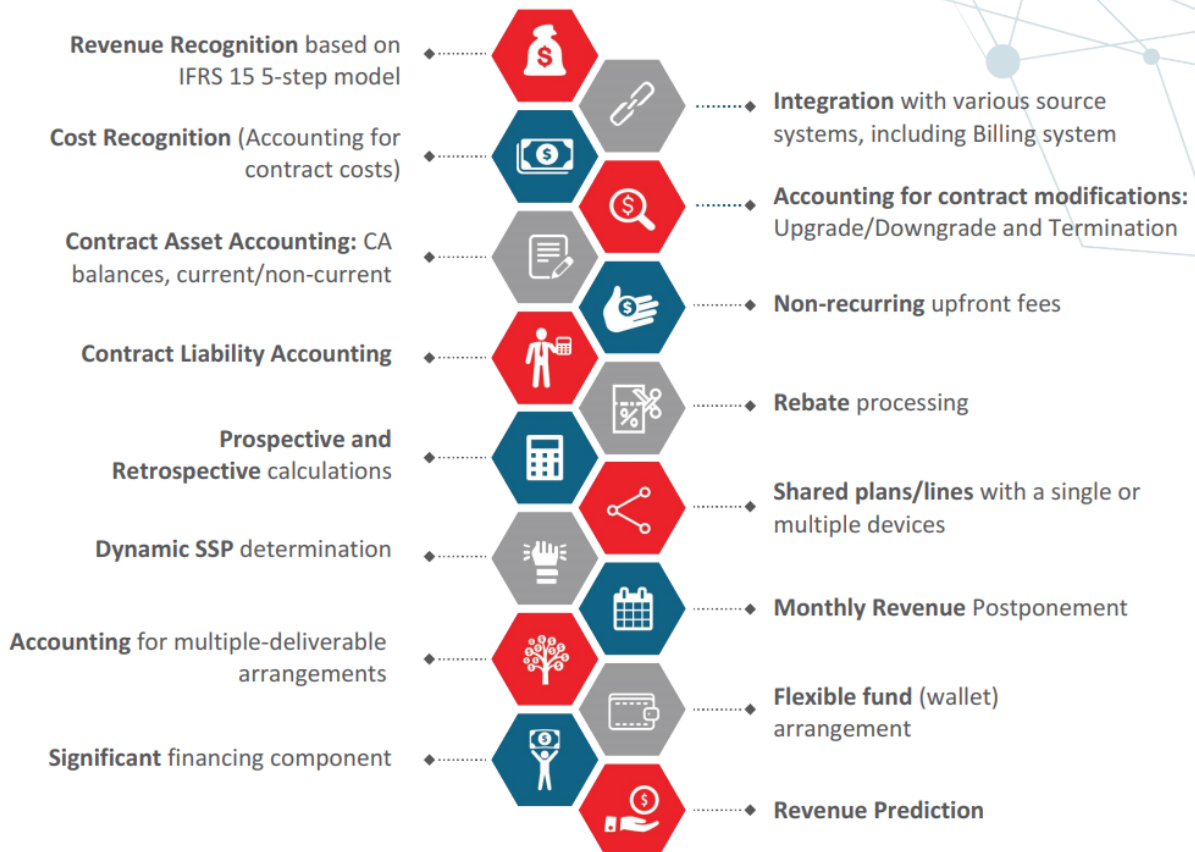
- ▶ Aggregation algorithm
- ▶ Robust revenue posting engine
- ▶ Parallel processing
- ▶ Flexible account determination
- ▶ Integrated with SAP ECC & BW G/L reconciliation
- ▶ Contract assets/liabilities tracking
- ▶ POB usage, cost, and revenue
- ▶ Reporting
- ▶ Exception management
- ▶ KPIs

Note: ETL tool is not part of the solution

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FEATURES



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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Cognitus Consulting
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