

# Executive Summary

## Hamilton IFRS 15 Comply

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# IFRS 15 - Revenue from Contracts with Customers



## A Brief Story About IFRS 15 Compliance

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.

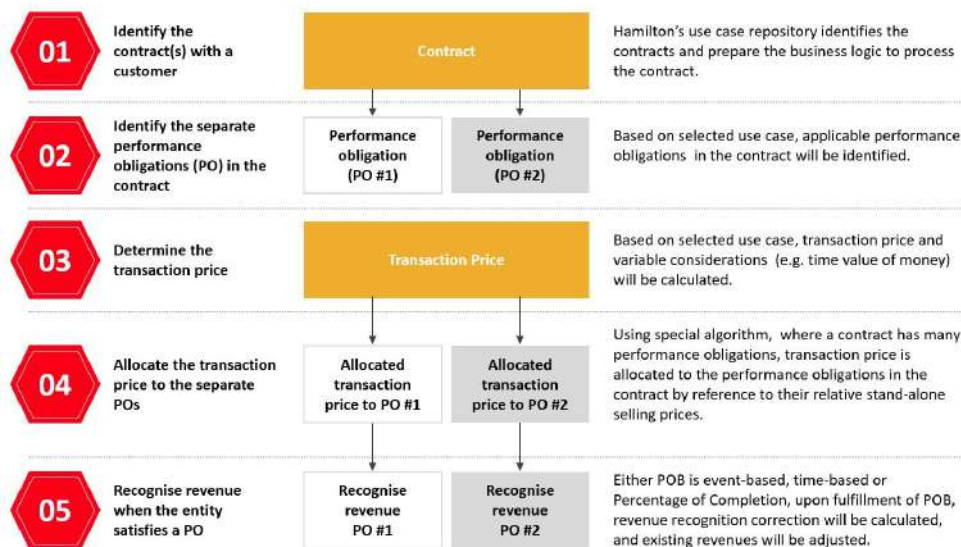
### *Core Principle:*

*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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# Key Benefits Supporting Hamilton Engine



## 1 Non-disruptive approach

Minimum changes to the existing business process. Minimizing impacts of IFRS 15 and adopting IFRS 15 compliance with ease.

## 3 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.

## 5 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.

## 7 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.

## 2 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.

## 4 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.

## 6 Total cost of ownership (TCO)

Arguably the lowest in the market for IFRS 15 solution.



# Consequences of Non-Compliance



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- 5** Outdated key performance indicators.

## HAMILTON ENGINE ARCHITECTURE: A SUB-LEDGER SYSTEM

### SOURCE SYSTEMS



Contract data  
Invoice Data  
Usage Data

### Repository



### IFRS 15 Engine



### 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)

SAP® Analytics Cloud

SAP S/4 HANA

Revenues  
Costs  
Contract Assets  
Contract Liabilities

### Posting & Reporting



- 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



## 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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