

COMARCH BUSINESS INTELLIGENCE

FINANCIAL CONSOLIDATION

INTRODUCTION TO FINANCIAL CONSOLIDATION

Financial consolidation is a process of merging and presenting financial statements of all company's subsidiaries into aggregated accounting figure. It is done according to laws, international accounting standards and best business practices. Such presentation shall be done to show how the holding company is doing as a group, and it shall exclude all intra-group transactions, corrections, and take into consideration common currency.

Due to distraction of source data, which comes from non-integrated systems, complicated structure of financial groups, and functioning of subsidiaries abroad, process of consolidation with usage of spreadsheets is currently difficult. Usage of advanced IT systems automatizes activities of merging financial statements, limits manual work, and decreases probability of making mistake.



ABOUT COMARCH BI CONSOLIDATION

- Comarch BI Consolidation is a tool, that helps Financial Managers to improve process of financial consolidation, and efficiently manage reporting data of financial groups.
- It enables line managers easier identification of trends and deviations, which results in faster and more accurate process of making key decisions.
- Process of consolidation is made with usage of Comarch BI Consolidation includes IAS/IFRS.
- Comarch BI Consolidation enables realization of financial consolidation processes, with help of each method of consolidation of capitals (with full, proportional, and equity method).
- Consolidated data may be viewed from many perspectives, ex. geographical, by currencies etc.
- System enables to make corrections, that are visible for other users of system. Additionally system enables to exclude intra-group transactions, and make currency conversions to common currency.
- System enables to view sequence of entered corrections, which enables to check history of modifications, and full tracing of consolidation process.

DATA COLLECTING

- The first element of preparation of consolidated financial statements is to gather by parent company all financial statements from each subsidiary.
- Effectiveness of consolidation process depends mainly on input data, which parent company receives from subsidiaries, and its transactional systems.
- At the stage of system implementation, unified rules of eliminations within intra-group transactions and report generation follow. In case if some of companies within group are servicing non typical services, different from others in a group, within each process of consolidation there are made modifications, that enable unification of analyzed data.
- Comarch BI Consolidation automatizes whole process, starting from data collection, and consolidation, until reporting.
- The input data is collected in a central database and the financial information is delivered shortly after closing the General Ledger.
- Data collection process is under process of controlling and auditing. System registers each data entry and changes in configuration settings.

Users of Comarch BI Consolidation system are mainly financial and accounting departments. For uploading the latest data, or making corrections, the intervention of IT department is not needed. It enables Financial Director much faster access to reports and coordination of work around financial consolidation.

SYSTEM FEATURES

The main areas supported by system are:

- Conversion of currency
- Elimination of intra-group transactions
- Elimination of unrealized profits
- Settlement of intra-period transactions
- Calculation of value of company, and elimination of investment value

Consolidated financial statements include:

- Introduction to consolidated financial statement
- Consolidated balance
- Consolidated profit and loss statement
- Consolidated cash flow statement
- Changes in consolidated capital
- Additional information and explanations
- to consolidated financial statement

SUMMARY

Comarch BI Consolidation is an excellent tool, designated for financial consolidation processes, wherever data sources are distracted, and there is complicated connection between subsidiaries, and we would like to consolidate in one, fully scalable system. In mid and long term period, cost of Comarch BI Consolidation implementation will be shortly repaid, as most of consolidation processes will be automatized, which will result in huge time savings, that is needed to generate reports.

Whether we would like to reflect changes done during fusions, acquisitions, or we plan to prepare our group for IPO, or our company is already listed on stock market, modern class ERP systems like Comarch BI Consolidation will bring huge value added to our enterprise.

REPORTING

Comarch BI Consolidation enables to prepare variety of reports.

Consolidated data is being presented in clear and readable way, documents are being stored in central report repository, and access rights are given only to pre-defined users.

Management cockpits, and indicators enable quick and easy identification of potential risks, deviations, trends, and comparison of results planned vs achieved.

The whole composition of data, and final effects of consolidation is available within multi-dimensional analytical areas. Calculated values may be used for creation of financial statements, and also current monitoring of financial group results, and its value for shareholders.



More about Comarch
Business Intelligence

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