

CENTRIC HGB-REPORTING

The annual statement is an important source to evaluate a company's commercial and financial situation. According to German law a balance sheet (§ 266 HGB) and a profit and loss statement (§ 275 HGB – HGB = “German Generally Accepted Accounting Principles” (GAAP)) have to be created in the given legal structure. At the same time the rules of the balancing prohibition apply (§ 246 Abs. 2 HGB). Also the auditors demand and expect being presented this type of reporting directly out of the system without using third party (non audit proof) solutions like Microsoft Excel. The standard solution of Oracle JD Edwards EnterpriseOne does not deliver balance sheets and profit and loss statements in the required structure and the reports cannot be used for the legal reporting without manual intervention in structure and content.

The solution to this is Centric HGB-Reporting

Centric HGB-Reporting delivers a balance sheet and a profit and loss statement according to the rules and the structure of the German law (HGB) directly from the JD Edwards system. Particularly the rules of the balancing prohibition are respected.

Larger enterprises with multiple affiliates commonly require reporting according to different GAAP's in parallel. Centric-HGB-Reporting fulfills the requirements for this type of reporting by leveraging the multi ledger principles of JD Edwards.

Centric-HGB-Reporting delivers all reports without additional programming effort, while allowing a flexible and definable structure and choosing the detail level at the instance of reporting. Different detail levels are e.g. necessary for delivering information at the level of financial accounts in accordance to a legal requirement (Einzelkontennachweis).

The tool is very flexible and allows soft coding/ configuration by a user to adapt the structure to changes in the balance sheet layout or adaptations made to the group chart of accounts without any programming effort.

Installation

For the installation the report is delivered with versions for

HGB P&L UKV / HGB Balance Sheet / HGB P&L GKV

The installation will simply be done as a JD Edwards standard package (.par or .zip file or ASU in older releases) to the Centric system code CIT.

Flexible configuration

All main activities and configuration can easily be done by a JD Edwards user:

- Definition of category codes for HGB-reporting
- Definition of an alternative cat.-code for fulfilling the balancing prohibition (§ 246 Abs. 2 HGB)
- Automatic accrual generation for customers with a credit and suppliers with a debit balance
- Maintaining the foreseen category codes
- Using the solution for further reporting schemes similar to the HGB (e.g. the Austrian “UGB” or the Swiss “Obligationenrecht”)

Default values for the category codes can be delivered in a spreadsheet on request.

Using the solution

Populate one of the category codes 21 – 23 in order to determine the HGB reporting line – a consultant can advise if necessary.

Additionally (optional step) one of the category codes 24 – 26 is used to determine the alternate reporting line for accounts with a non-typical balance. For example accounts in the assets area (e.g. bank accounts) with a credit balance have to be shown in a different HGB line as the same accounts showing a debit balance in another point in time (balancing prohibition).

Using user defined codes (UDCs) for defining summary lines makes the reporting very flexible and easy to adapt. HGB report definitions can be imported to JD Edwards from spreadsheets to make set up easy and controlled (prevent mistyping).

Balance sheet and P&L

- Up to three ledger types can be combined, e.g. for US GAAP, IFRS and HGB
- Per legal entity up to three different (in structure and detail) and completely independent reporting structures can be defined
- The reporting period can be defined at the instance of reporting, a prior year comparison is part of the solution
- Total cost accounting (GKV) or cost of sales accounting (UKV) can be reported alternatively or in parallel

Managing the reporting structure by user defined codes makes the solution very flexible.

Summary and detail lines are defined by JD Edwards UDC tables in structure and wording. This is done according to the rules of HGB, IFRS, UGB, USGAAP, etc. and requires only one category code for a complete structure with multiple summary logics.

User options at the time of reporting are:

- Company
- Fiscal year
- Period
- Up to three ledger types
- Determining the category code to be used (UDC 09/21 - 09/23 and UDC 09/24 – 09/26)
- UDC table for controlling the summary lines (definable, e.g. UDC 57/01)

For testing purposes, reconciliation and audit activities detail balances by full JD Edwards account – or by object account only – can be printed. In Germany this is commonly known as “Einzelkontennachweis”.

All printed summary lines are printed in the wording defined by the user.