



# Intercompany & consolidation process in Netsuite – EcoVadis group

February 2020





# Intercompany process



# Agenda

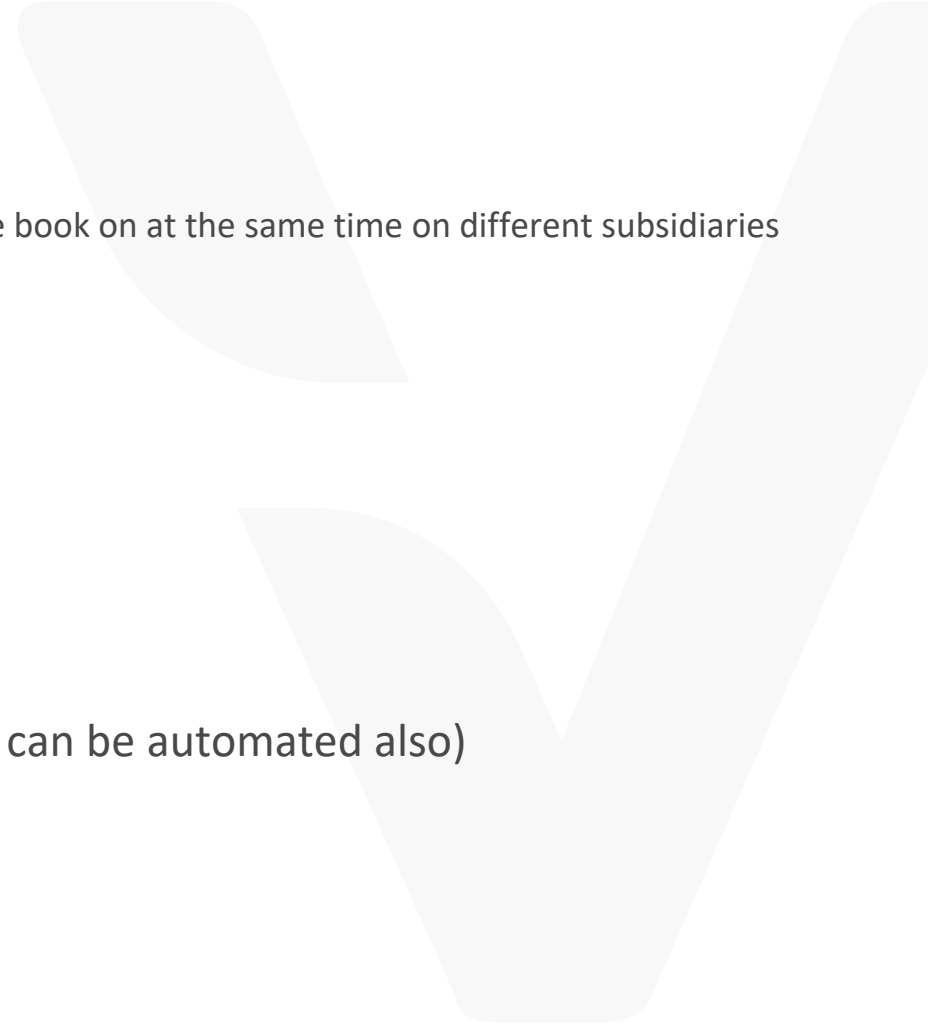
- 1 Quick overview
- 2 Set-up of Elimination entities
- 3 Set-up of intercompany accounts & intercompany vendors / customers
- 4 Booking intercompany journal entry
- 5 Recording intercompany sales / purchases
- 6 Eliminate intercompany transactions



# Quick overview

## > Intercompany flows in Netsuite

- Netsuite offers the possibility to :
  - Record sales between subsidiaries (using PO/SO – Bills / invoices)
  - Record simultaneously transactions in different subsidiaries : 1 journal entry can be book on at the same time on different subsidiaries
  - Eliminate these intercompany transactions.
- Some set-up must be done to allow this process :
  - Set-up of Elimination entities
  - Specific vendors / customers creation
  - Set-up of Intercompany accounts
  - Booking intercompany transactions (invoices, bills, intercompany journal entry)
- Intercompany elimination is part of the closing process of Netsuite (it can be automated also)
- Some standard reports are already proposed by Netsuite





# Set-up of Elimination entities (1/2)

- > It is necessary to set-up at least one « Elimination entity » where all the intercompany transactions will be eliminated.
- > This entity must be created : at the child level, in the same currency as the base currency of the parent subsidiary.
- > To identify the elimination entity you have to tick : Elimination on the subsidiary page :

**Edit** **Back** **Actions**

☐ SUBSIDIARY IS INACTIVE

**NAME**  
Elimination\*

SUBSIDIARY OF  
EcoVadis Holding : EcoVadis Group

TAXONOMY REFERENCE

YOOZ SUBSIDIARY CODE

HR MANAGER

EXPENSE CLAIM ACCOUNTANT

ACCOUNTANT

TEL

RCS NUMBER

CAPITAL

YOOZ SUBSIDIARY CODE (2)

☐ ALWAYS DISPLAY SUBSIDIARY NAME

SUBSIDIARY LOGO (FORMS)

SUBSIDIARY LOGO (PAGES)

WEB SITE

DOCUMENT NUMBER PREFIX

TRANSACTION NUMBER PREFIX

COUNTY/STATE/PROVINCE

COUNTRY  
France

LEGAL NAME

RETURN EMAIL ADDRESS

FAX

☒ **ELIMINATION**

DEFAULT ELIMINATION SUBSIDIARY LOCATION  
France

LANGUAGE  
English (U.S.)

CURRENCY  
EUR

EDITION  
XX

VAT REGISTRATION NO.

☐ GL IMPACT LOCKING

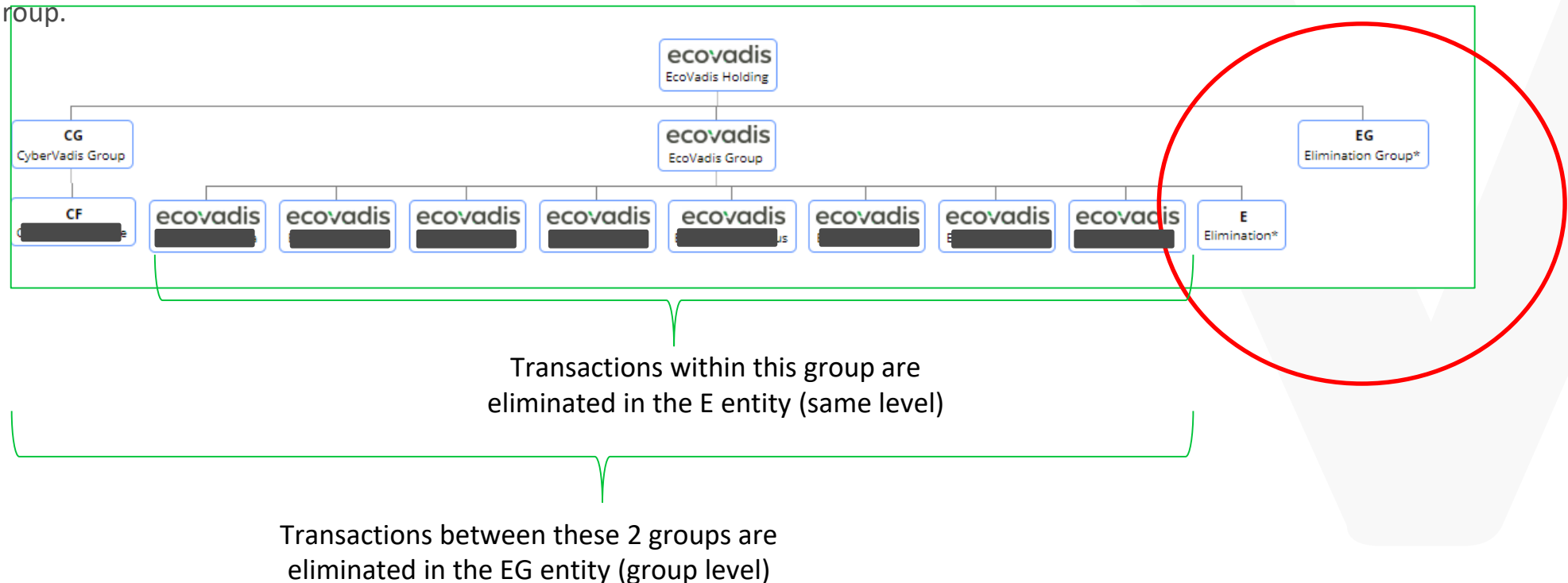
INTERNAL ID  
12



# Set-up of Elimination entities (2/2)

## > Example :

- Here we have two Elimination entities:
  - 1 Elimination entity under the group holding to Eliminate flows between Subsidiaries under CyberVadis group and Subsidiaries between EcoVadis group
  - 1 Elimination entity under the group EcoVadis Group to eliminate the intercompany transactions between Subsidiaries under EcoVadis Group.





# Set-up of intercompany accounts

- > Set-up of intercompany accounts:
  - I recommend to use specific income statement & balance sheet accounts if possible for intercompany transactions (not mandatory but highly recommended)
  - When you set-up an account where intercompany transactions will be booked and must be eliminated, you have to tick : « Eliminate intercompany transactions » on the account page.

## Account

11020 Accounts Receivable - Intercompany

**Save** **Cancel** **Reset** | **Actions** ▼

NUMBER \*

11020

NAME \*

Accounts Receivable - Intercompany

SUBACCOUNT OF

TYPE

Accounts Receivable

CURRENCY

GENERAL RATE TYPE

Current

CASH FLOW RATE TYPE

Average

☒ REVALUE OPEN BALANCE FOR FOREIGN CURRENCY TRANSACTIONS

☒ ELIMINATE INTERCOMPANY TRANSACTIONS

DESCRIPTION

☐ SUMMARY

☐ INACTIVE

RESTRICT TO DEPARTMENT

RESTRICT TO LOCATION

SUBSIDIARIES \*

EcoVadis Holding

EcoVadis Holding : CyberVadis Group

EcoVadis Holding : CyberVadis Group : Cyt

EcoVadis Holding : EcoVadis Group

☒ INCLUDE CHILDREN

RESTRICT TO ACCOUNTING BOOK

Primary Accounting Book

Consolidation



# Set-up of intercompany vendors / customers (1/4)

## > Identification of third parties in Netsuite:

- It is necessary to set-up 1 customer or vendor for each subsidiary (we cannot use the same customer for different subsidiaries).
  - Example : If subsidiary « 1 » is receiving goods /services from 10 subsidiaries (Sub2, Sub3, etc.), you will have to create 10 clients « Sub 1 » and 10 vendors « Sub2 », « Sub3 », etc.).
- When you create the customer / vendor : the field « Represent subsidiary must be fulfilled with the chosen subsidiary

The screenshot shows the Netsuite 'Customer' setup form. A green arrow points from the text 'the field « Represent subsidiary must be fulfilled with the chosen subsidiary' to the 'REPRESENT SUBSIDIARY' dropdown menu. This dropdown is open, showing a list of subsidiaries: EcoVadis Holding, CyberVadis Group, CyberVadis France, EcoVadis Group, EcoVadis Canada, and EcoVadis France (which is highlighted). Red circles highlight the 'COMPANY NAME' field in the 'Primary Information' section and the 'SUBSIDIARY' dropdown in the 'Classification' section. Other fields visible include 'CUSTOM FORM', 'CATEGORY', 'WEB ADDRESS', 'COMMENTS', 'CUSTOMER ID', 'BO CLIENT ID', 'LEGAL ENTITY', 'CUSTOMER COUNTRY', 'STATUS', 'SALES REP - CSM', 'SALES REP - SAM', 'SALES REP - CSA', 'CLIENT LANGUAGE', and 'SECTOR INITIATIVES'.



# Set-up of intercompany vendors / customers (2/4)

- > Identification of third parties in Netsuite:
  - On the financial sub-tab, use the specific intercompany accounts created for your intercompany customer / vendor :


Address			Financial	Sales	Communication	Preferences	System Information	Custom	Dunning	Subsidiaries	Bank Payment Details (Debit)	Bank Payment Details (Credit)
Account Information												
ACCOUNT				END DATE				PRIMARY CURRENCY EUR				
DEFAULT RECEIVABLES ACCOUNT 11020 Accounts Receivable - Intercompany				REMINDER DAYS				TERMS				
DEFERRED REVENUE ACCOUNT FOR REVENUE RECLASSIFICATION 35012 Deferred Revenue Intercompany				BANK ACCOUNT				MONTHLY CLOSING DATE End of the Month				
START DATE				PRICE LEVEL								
Tax Information												
TAX REG. NUMBER				TAX ROUNDING METHOD Round Off				TAX ITEM				
TAX ROUNDING PRECISION				WH TAX CODE				RESALE NUMBER				
Balance Information												



# Set-up of intercompany vendors / customers (3/4)

> Example:

- Customer EcoVadis France receiving services from EcoVadis Japan



 Customer

142621 EcoVadis SAS

Edit

Back

Accept Payment

  Actions

Primary Information			
CUSTOMER ID 142621 EcoVadis SAS	CATEGORY Interco	WEB ADDRESS	
COMPANY NAME EcoVadis SAS	BO CLIENT ID	COMMENTS	
LEGAL ENTITY			

Classification			
SUBSIDIARY EcoVadis Japan	REPRESENT SUBSIDIARY EcoVadis France	CUSTOMER COUNTRY France	
STATUS CUSTOMER-Closed Won			

Additional information			
SALES REP - CSM	INDUSTRY	CLIENT LANGUAGE	
SALES REP - SAM	NB OF EMPLOYEES	SECTOR INITIATIVES	
SALES REP - CSA	ANNUAL REVENUE		

Billing address	
PRIMARY CONTACT	ADDRESS EcoVadis SAS 43 avenue de la Grande Armée 75116 Paris France Map
PRIMARY EMAIL ADDRESS	
PRIMARY CONTACT PHONE	



# Set-up of intercompany vendors / customers (4/4)

- > Example:
- Vendor EcoVadis Japan providing services to EcoVadis France

Vendor

1467 EcoVadis Japan

Edit

Back

Make Payment

Actions

Primary Information

VENDOR ID 1467 EcoVadis Japan	WEB ADDRESS	COMMENTS
TYPE Company	CATEGORY Vendor	REGISTRATION NUMBER
COMPANY NAME EcoVadis Japan	OLD YOOZ CODE	

Email | Phone | Address

PRIMARY EMAIL	PHONE	ADDRESS
FINANCE EMAIL ap@ecovadis.com		EcoVadis Japan 6-19-3 Shimbashi Minato-ku Tokyo 105-0004 Japan Map

Classification

ECOVADIS ENTITY EcoVadis France	REPRESENTS SUBSIDIARY EcoVadis Japan	<input type="checkbox"/> DAS2
------------------------------------	---	-------------------------------

Address | Financial | Subsidiaries | Relationships | Communication | Preferences | System Information | Custom | Bank Payment Details | Time Tracking

DEFAULT SHIPPING	DEFAULT BILLING	LABEL	ADDRESS
Yes	Yes	6-19-3 Shimbashi	EcoVadis Japan 6-19-3 Shimbashi Minato-ku Tokyo 105-0004 Japan





# Booking intercompany journal entry (1/3)

- > Booking Journal entry (header):
  - You have to use a specific transaction : « Advanced Intercompany Journal » (previously Book Specific Intercompany Journal), in the transaction > Financial > Make Advanced Intercompany Journal.



The header of the journal entry is the same as for regular journal entry. For the subsidiary, you just need to choose the Subsidiary initiating the transaction

Currency of the journal entry can be different from the base currency of the subsidiary however it must be a currency authorized on the account level and on the intercompany vendor/customer account (for example you cannot book a journal entry in USD on an account restricted to EUR currency).

 **Advanced Intercompany Journal** 

JE61236 **APPROVED FOR POSTING**

EditBack

 Actions

Primary Information		
SUBSIDIARY EcoVadis Canada	DATE 31/12/2019	ENTRY NO. JE61236
MEMO Interests on IC advance payments FY2019	POSTING PERIOD Dec 2019	TRANSACTION NUMBER JOURNAL61236

Additional information		
DOCUMENT DATE 31/12/2019	REVERSAL #	COMMENTS
REVERSAL DATE	CREATED FROM	
CURRENCY EUR		



# Booking intercompany journal entry (2/3)

> Booking Journal entry (lines level):

The subsidiary of the 1st line must be equal to the subsidiary of the header

Only the lines with Eliminate = Yes will be taken into account in the elimination process.

When Eliminate = Yes, the field « Name » should be fulfilled with an intercompany customer/vendor

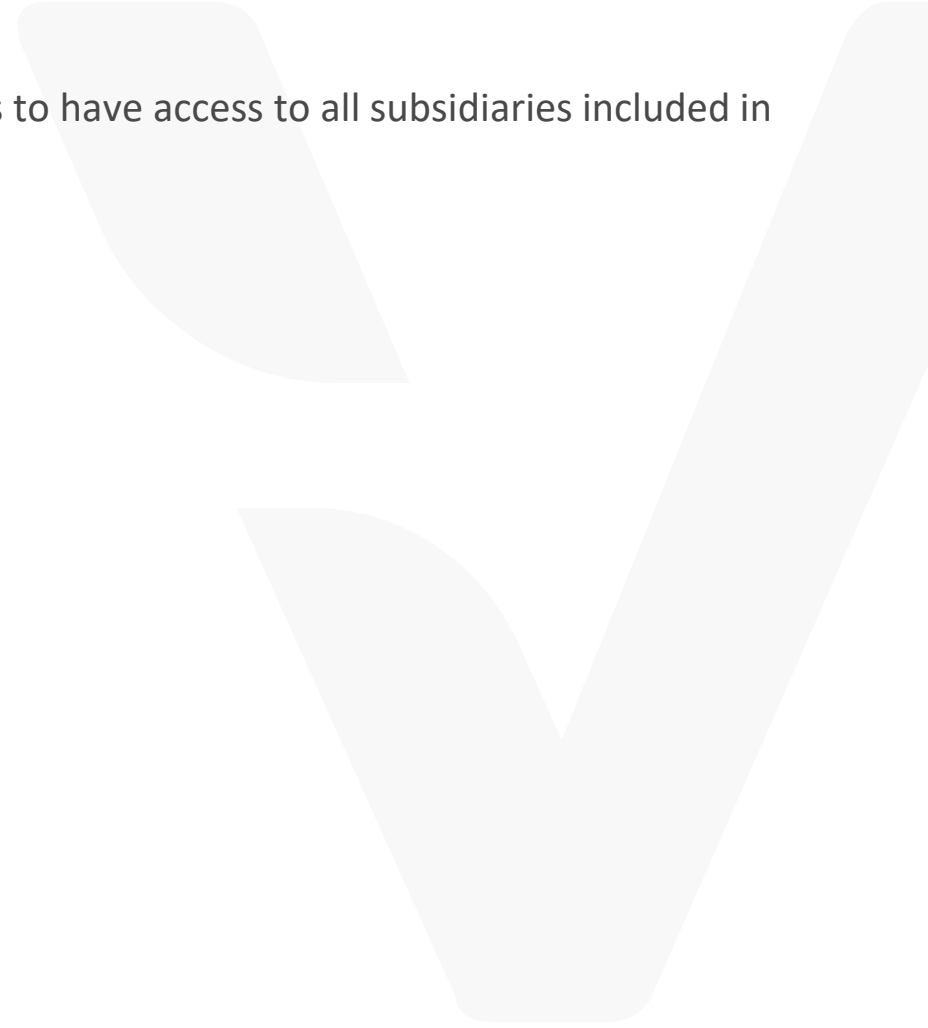
Lines   Communication   Related Records   System Information   Custom   Accounting Books   EFT   Tax Reporting									
10,000.00 •									
Auto Balance   Undo Auto Balancing   Clear All Lines									
SUBSIDIARY *	ACCOUNT *	MEMO	DEBIT	CREDIT	ELIMINATE	NAME	BU *	SITE *	YOOZ / INV. NUMBER
EcoVadis Canada	33010 Accounts Payable	Reimbursement of Bennett Jones Retainer fees paid on behalf on EV Canada	5,000.00			968 Bennett Jones	EVOTHER	Canada	160914
EcoVadis Canada	33020 Accounts Payable - Intercompany	Reimbursement of Bennett Jones Retainer fees paid on behalf on EV Canada		5,000.00	Yes	123834 EcoVadis SAS	EVOTHER	Canada	160914
EcoVadis France	11020 Accounts Receivable - Intercompany	Reimbursement of Bennett Jones Retainer fees paid on behalf on EV Canada	5,000.00		Yes	513 EcoVadis Canada Limited	EVOTHER	Canada	160914
EcoVadis France	24010 GEN - Deposit	Reimbursement of Retainer fees paid on behalf on EV Canada - Bennett Jones 188517 - (3 366.10 €)		5,000.00			EVOTHER	Canada	160914
<Type then tab>   <Type then tab>									

Your intercompany transaction must have at least 4 lines :  
1 line with Debit and  
1 with Credit on each entity



# Booking intercompany journal entry (3/3)

- > Please note that regarding access rights :
  - > The accountant who is booking the advance intercompany journal entry needs to have access to all subsidiaries included in the journal entry.





# Recording intercompany sales / purchases (1/2)

- > To book intercompany transactions, the most simple way is advanced intercompany journal entry. However, we can also need to record sales / purchases transactions with Sales invoices & Bills.
- > Below is the process we are using today:
  - PO creation via import (no payment method)
  - SO creation via intercompany sales order page in Netsuite
  - SO update (with start date & end date (mandatory)
  - Invoice creation in Netsuite : Menu Customer / Sales / Invoice sales order
  - Update invoice
  - Create bill via import
  - Update bill with Amortization schedule & Start / end date



# Recording intercompany sales / purchases (2/2)

- > The process is long and we had met several difficulties:
  - For the revenue recognition, Netsuite is taking the exchange rate of the sales order and not the exchange rate of the invoice. Due to this and the fact that we were using open PO (1 PO for 1 year), we had discrepancies in the deferred revenue account (debit booked with SO exchange rate, credit with invoice exchange rate)
  - During an update, Netsuite started to consider that if Pos have payment method than SO/Invoices are « cash sales » and are directly booked in undeposited funds instead of Accounts Receivables.
  - There is no such intercompany process for Credit Memo and Bill credit.
  - Using PO & SO are not necessary for us.
  - ...
  - Next step for us will be to identify if we can book directly Sales invoices and Bills without going through this PO / SO process.



# Intercompany elimination process (1/6)

- > Before launching the « Eliminate Intercompany Transactions » in the period close checklist, we are doing specific checks:
  - Checking the Intercompany Reconciliation report, however this report will only show if there are discrepancies on Purchases / Sales but the report is not checking all transactions (for example payments).
  - Checking the intercompany balances on both side. Indeed even if journal entries and sales/purchases are booked on both side, we can still have discrepancies due to different payments booking (amount paid different then amount received) and other intercompany journal entry wrongly booked.
- > When accounts are reconciled, we are launching the « Eliminate Intercompany Transactions » in the period close checklist:

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Activities Payments Transactions Lists Reports Analytics Documents Setup Customization Planning & Budgeting Fixed Assets Support

**Period Close Checklist: Jan 2020**

FILTERS

ACCOUNTING BOOK: All

PERIOD NAME Jan 2020  
STATUS Open

START DATE 1/1/2020  
END DATE 31/1/2020

GO TO TASK	TASK
➡	Lock A/R
➡	Lock A/P
➡	Lock All
➡	Review Custom GL Plug-in Executions
➡	Revalue Open Foreign Currency Balances
➡	Calculate Consolidated Exchange Rates
➡	<b>Eliminate Intercompany Transactions</b>
➡	Create Period End Journals
➡	GL Audit Numbering
➡	Close



# Intercompany elimination process (2/6)

- > When you run the intercompany Elimination, remember to choose a specific book. If you choose « All », no elimination entries will be booked.
- > You will find the list of the Elimination journal entries booked by Netsuite, in the Results tab.
- > Elimination transactions post only to the elimination subsidiaries and do not affect the general ledger of the sourced subsidiaries. A journal entry that is associated with an elimination subsidiary is a normal journal entry, not an advanced intercompany journal entry. It posts to a single elimination subsidiary.

Task: Eliminate Intercompany Transactions

Cancel

Mark Task In Progress

Run Intercompany Elimination

PERIOD  
Jan 2020

ACCOUNTING BOOK  
All

STATUS  
Completed

START DATE  
1/1/2020

END DATE  
31/1/2020

LAST RUN BY  
18389

LAST RUN DATE  
11/2/2020

Results

Status

Notes

Refresh

ACCOUNTING BOOK	ELIMINATION SUBSIDIARY	CURRENCY	AMOUNT	ELIMINATION JOURNAL
Primary Accounting Book	Elimination*	EUR	-35.34	<a href="#">View</a>
Primary Accounting Book	Elimination*	EUR	-7,281.78	<a href="#">View</a>
Primary Accounting Book	Elimination*	EUR	5,847.73	<a href="#">View</a>
Primary Accounting Book	Elimination Group*	EUR	607.25	<a href="#">View</a>
Primary Accounting Book	Elimination Group*	EUR	-13,960.08	<a href="#">View</a>
Primary Accounting Book	Elimination Group*	EUR	-553.10	<a href="#">View</a>



# Intercompany elimination process (3/6)

> Example of Elimination entry:

Discrepancy between Debit / Credit amounts eliminated goes to the account Cumulative Translation Adjustment – Elimination. It can be due to Exchange rate differences or intercompany balances discrepancies.

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Book Specific Journal

JE63741 APPROVED FOR POSTING INTERCOMPANY ELIMINATION

Edit Back Actions

Primary Information

ENTRY NO.  
JE63741

ACCOUNTING BOOK  
Primary Accounting Book

CURRENCY  
EUR

EXCHANGE RATE  
1.00

DATE  
31/1/2020

POSTING PERIOD  
Jan 2020

MEMO

APPROVAL STATUS  
Approved

NEXT APPROVER

Classification

SUBSIDIARY  
Elimination\*

IMPORT PERMIT NO.

CREATED FROM

COUNTRY OF ORIGIN

START DATE P2P

Lines Communication Related Records System Information Custom GL Impact PLP EFT Tax Reporting

2,016,813.92

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BU	SITE	RELATED ASSET	CEGID LIBELLE	CEGID ENTRY ID	CEGID JOURNAL TYPE	Y002 NUMBER	INVOICE START DATE	INVOICE END DATE	EMIRATE	RECEIPT URL	CIT	PLP SPLIT PAYMENT (LINE)	PLP ITEM QUANTITY	PLP ITEM	PLP ITEM UNIT	SOURCE TRANSACTIONS	HISTORY
53000 Cumulative Translation Adjustment-Elimination		7,281.78			EVOTHER	France												1				History
78419 Interests due from bank			IC Elimination Jan2020		EVOTHER	France												1			1 rows	History
60305 Service revenue			IC Elimination Jan2020		EVOTHER	France												1			7 rows	History
66115 Financial revenue from loans			IC Elimination Jan2020		EVOTHER	France												1			1 rows	History
70505 Outsourcing EV			IC Elimination Jan2020		EVOTHER	France												1			7 rows	History

You can find on each line the source transaction



# Intercompany elimination process (4/6)

- > To identify the elimination entries booked by Netsuite, you have a specific report : «Intercompany Elimination report »

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Activities Payments Transactions Lists **Reports** Analytics Documents Setup Customization Planning & Budgeting Fixed Assets Support

### Consolidation Intercompany Elimination report

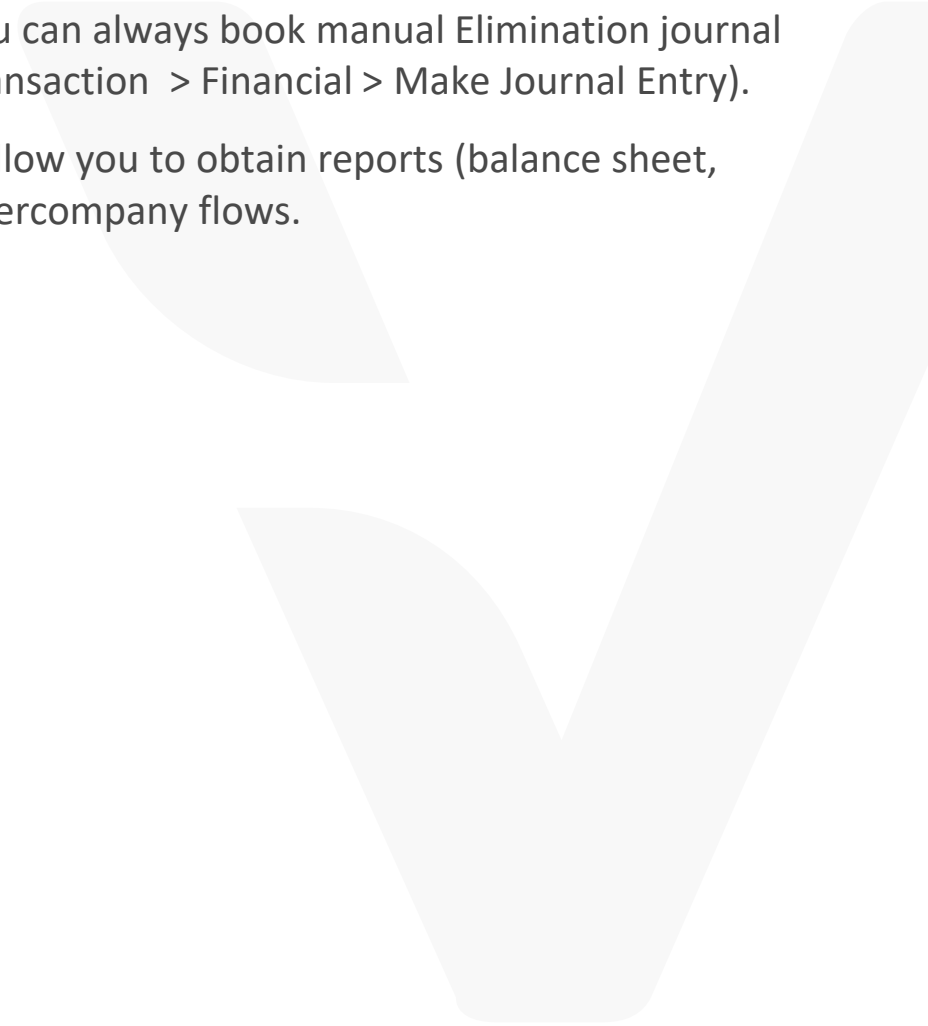
ELIMINATION SUBSIDIARY	ACCOUNTING PERIOD: NAME	INTERCOMPANY PURCHASE ORDER	INTERCOMPANY SALES ORDER	ACCOUNT: NAME (GL-STYLE)	SOURCE TRANSACTION	SOURCE TRANS TYPE	SUBSIDIARY	PAIRED SUBSIDIARY	SOURCE TRANS DATE	SOURCE TRANS ACCOUNT	SOURCE TRANS AMOUNT (TRANS CURRENCY)	SOURCE TRANS CURRENCY	SOURCE TRANS AMOUNT (BASE CURRENCY)	SUBSIDIARY BASE CURRENCY	CONSOLIDATED EXCHANGE RATE	ELIMINATION JE	ELIMINATION JE DATE	ELIMINATION JE AMOUNT	ELIMINATION SUBSIDIARY CURRENCY	DATE
EcoVadis Holding:EcoVadis Group:Elimination*	Jan 2020	PO4176	SO198	11020 - Accounts Receivable - Intercompany	HK2020_01	Invoice	EcoVadis HK	EcoVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		HKD	0.12 JE63733	31/1/2020			EUR	1/1/2020
EcoVadis Holding:Elimination Group*	Jan 2020	PO4183	SO207	11020 - Accounts Receivable - Intercompany	TUN2020IN002	Invoice	EcoVadis Tunisia	CyberVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		TND	0.32 JE63734	31/1/2020			EUR	1/1/2020
EcoVadis Holding:Elimination Group*	Jan 2020	PO4175	SO203	11020 - Accounts Receivable - Intercompany	FR2020IN001	Invoice	EcoVadis France	CyberVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		EUR	1.00 JE63734	31/1/2020			EUR	1/1/2020
EcoVadis Holding:Elimination Group*	Jan 2020	PO4179	SO205	11020 - Accounts Receivable - Intercompany	MAU_2020IN002	Invoice	EcoVadis Mauritius	CyberVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		MUR	0.02 JE63734	31/1/2020			EUR	1/1/2020
EcoVadis Holding:EcoVadis Group:Elimination*	Jan 2020	PO4182	SO201	11020 - Accounts Receivable - Intercompany	TUN2020IN001	Invoice	EcoVadis Tunisia	EcoVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		TND	0.32 JE63733	31/1/2020			EUR	1/1/2020
EcoVadis Holding:Elimination Group*	Jan 2020	PO4185	SO204	11020 - Accounts Receivable - Intercompany	FR2020IN002	Invoice	EcoVadis France	CyberVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		EUR	1.00 JE63734	31/1/2020			EUR	1/1/2020
EcoVadis Holding:Elimination	Jan 2020	PO4181	SO206	11020 - Accounts Receivable -	PL20_02	Invoice	EcoVadis Poland	CyberVadis France	1/1/2020	Accounts Receivable - Intercompany		EUR		PLN	0.23 JE63734	31/1/2020			EUR	1/1/2020

- This report is convenient as you can find the Source transaction, source Subsidiary and the paired Subsidiary.
- However, this report is not complete. In our case we have only AP/AR – Sales/Purchases eliminations transactions (no data on entries booked by Netsuite from intercompany journal entry).
- In order to split the elimination journal entries per entity for all transactions (required for statutory consolidation purpose), we have developped specific reports.



# Intercompany elimination process (5/6)

- > If the elimination entries booked by Netsuite are not correct and/or incomplete, you can always book manual Elimination journal entries directly in the Elimination subsidiaries by using the regular Journal Entry (Transaction > Financial > Make Journal Entry).
- > All the elimination entries booked (automatic by netsuite + manual if needed) will allow you to obtain reports (balance sheet, income statement, trial balance etc.) on a consolidated level after elimination of intercompany flows.





# Intercompany elimination process (6/6)

Total = Consolidated data after elimination of intercompany flows

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Income Statement [View Detail](#)

FINANCIAL ROW	CYBERVADIS FRANCE	ECOVADIS CANADA	ECOVADIS FRANCE	ECOVADIS HK	ECOVADIS JAPAN	ECOVADIS MAURITIUS	ECOVADIS POLAND	ECOVADIS TUNISIA	ECOVADIS US	ELIMINATION GROUP*	ELIMINATION*	TOTAL
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Sales												
60101 - BM2 Basic Subscription 1 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60102 - BM2 Basic Subscription 1 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60103 - BM2 Basic Subscription 2 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60104 - BM2 Basic Subscription 2 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60105 - BM2 Basic Subscription 3 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60106 - BM2 Basic Subscription 3 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60107 - BM2 Corp Subscription 1 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60108 - BM2 Corp Subscription 1 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60111 - BM2 Corp Subscription 3 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	483.89	0.00 €	0.00 €	
60112 - BM2 Corp Subscription 3 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60113 - BM2 Premium Subscription 1 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60114 - BM2 Premium Subscription 1 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60115 - BM2 Premium Subscription 2 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60116 - BM2 Premium Subscription 2 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60117 - BM2 Premium Subscription 3 Year - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60118 - BM2 Premium Subscription 3 Year - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60150 - BM2 Subscription additional services	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €		0.00 €	0.00 €	
60205 - BM1 Evaluation credits	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60210 - Key client - Subscription Enterprise - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60211 - Key client - Subscription Enterprise - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60215 - Key client - Subscription Enterprise Lite - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60216 - Key client - Subscription Enterprise Lite - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60220 - Key client - Subscription additional services - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60225 - Key client - Subscription additional services - Renew	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60230 - Key client - Consulting	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60240 - Key client - IQ Subscription - New	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60290 - Key client - Volume Discount	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60291 - Key client - Exceptional and other discount	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	
60292 - Key Client - Provision for volume discount	0.00 €	0.00 €		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	-2,912.02	0.00 €	0.00 €	
60305 - Service revenue												0.01 €
60311 - Revenue from Partnership - Referral fees	0.00 €	0.00 €	3,895.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	3,895.00 €
60315 - Revenue from Event		0.00 €	3,895.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
60351 - Revenue from lease re-invoicing (IC)		0.00 €	2,818.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	-2,818.00 €	0.00 €	0.00 €
60355 - Revenue non business related - Other		0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	64.79 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61101 - CyberVadis Premium Subscription 1 Year - New	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61102 - CyberVadis Premium Subscription 1 Year - Renew	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61210 - CyberVadis - Subscription Enterprise - New	0.00 €	0.00 €	1,428.57 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61211 - CyberVadis - Subscription Enterprise - Renew	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61291 - CYB Premium discount	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
61293 - CYB Enterprise - Exceptional and other discount	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
65010 - Other income (custpmt)	0.00 €	0.00 €	634.16 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	634.16 €

Elimination of intercompany flows will impact the Elimination entities only

PERIOD

Last Period

FROM

Jan 2020

TO

Jan 2020

SUBSIDIARY CONTEXT

EcoVadis Holding (Consolidated)

ACCOUNTING BOOK

Consolidation

COLUMN

Subsidiary

Elimination of intercompany flows will impact the Elimination entities only

If you have created specific intercompany accounts, you can easily check the elimination as total after Elimination should be = 0



The background of the slide is a photograph of terraced rice fields. The terraces are filled with green rice plants and are arranged in a series of steps up a hillside. A person is visible standing on one of the terraces. In the distance, a small hut with a thatched roof is visible. The sky is a deep blue. A large, stylized letter 'V' is overlaid on the right side of the image. The top part of the 'V' is a solid green color, and the bottom part is a light blue color with a gradient. A thin green line runs vertically down the left side of the image, ending in a small green dot.

# CONSOLIDATION PROCESS



# AGENDA

- 1 Quick overview
- 2 Currency management
- 3 Set-up of Secondary book
- 4 Booking IFRS & Consolidation entry
- 5 Monthly consolidation process
- 6 Statutory consolidation process



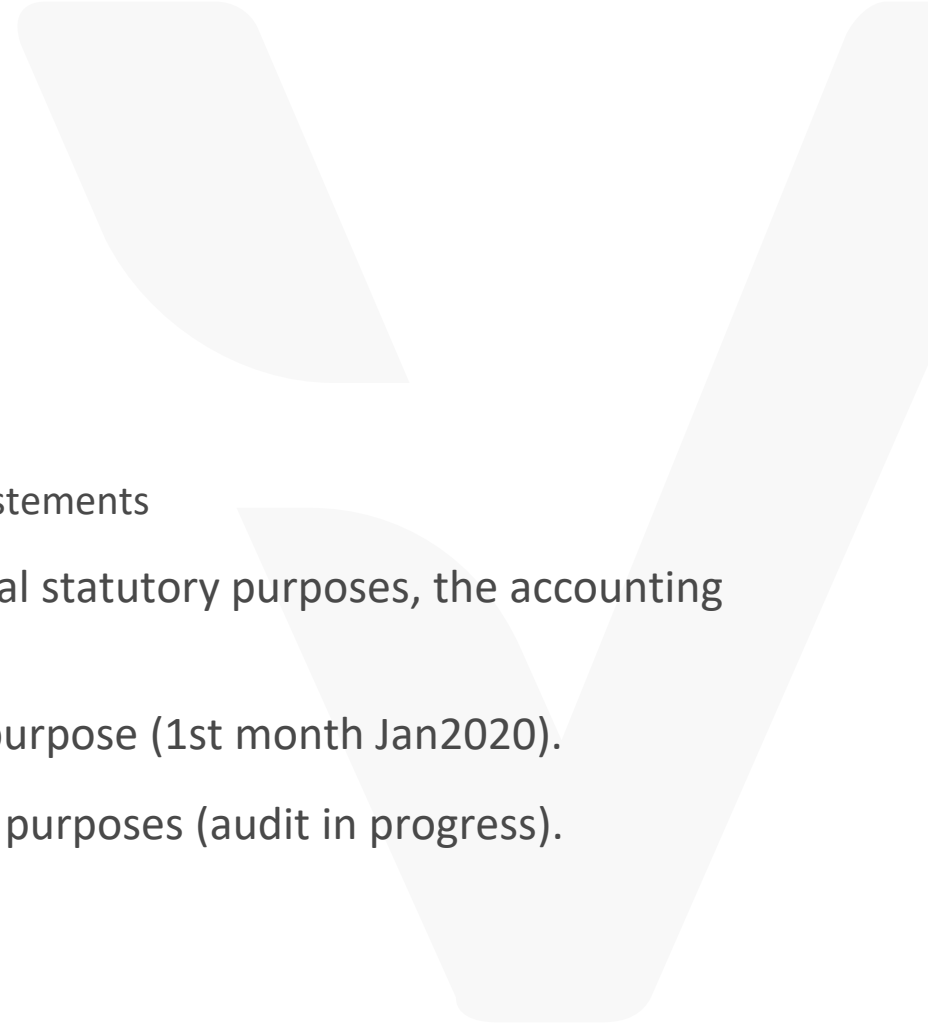
# Quick overview

## > Our group:

- 9 legal entities in 8 different countries and 14 location

## > Consolidation process:

- 100% of our entities bookkeeping is done in Netsuite:
  - Primary book = local Data
  - Secondary book (consolidation) = IFRS adjustments + Consolidation adjustments
- We have 1 chart of account for the whole group. We are using for local statutory purposes, the accounting context option to have the local number & name of each account.
- We are doing a monthly IFRS consolidation in Netsuite for reporting purpose (1st month Jan2020).
- We are doing the annual statutory consolidation in Netsuite for audit purposes (audit in progress).





# Currency Management (1/2)

- > Group base currency :
- Each entity of the group has a different base currency (EUR, CAD,USD, HKD, PLN, JPY, etc.)
  - Group base currency is EUR.
  - Netsuite is converting each subsidiary data using the Consolidated Exchange Rate (historical, Current, Average exchange rate) set-up on the account level. Please note that average exchange rate is calculated for each period (not for the year) and based on weighted amount of transactions.
  - Conversion difference is allocated to a specific account in the balance sheet: « Cumulative Translation Adjustment »

Capital and Reserves	
50010 - Paid capital	
51010 - Share premiums	
51023 - IFRS - Share warrants - BSA2011	
51024 - IFRS - Share warrants - BSA2015	
51025 - IFRS - Share warrants - BCE2015	
51026 - IFRS - Share warrants - SO2017	
53000 - Cumulative Translation Adjustment-Elimination	16,752.06 €
59005 - IFRS - Minority Interest TN	
51011 - FR - Share warrants (BSA)	
52020 - Balance carried forward (loss)	
52025 - Legal reserve	
Retained Earnings	
Net Income	
Cumulative Translation Adjustment	106,929.97 €

Difference related to Elimination of intercompany flows (example : exchange rate difference or unreconciled difference)

Exchange rate differences from conversion of subsidiaries from base currency to group currency using different exchange rates



# Currency Management (2/2)

> Please note also that :

- Consolidation Exchange rate can be manually updated for historical matters (first consolidation).
- Consolidated exchange rates should be run on a monthly basis on all books.
- Reconciliation of intercompany flows can be challenging because of the use of different rates to convert transaction : From transaction original currency to base currency of the subsidiary using the currency exchange rate and then from base currency of the subsidiary to base currency of the group using the Consolidated exchange rate.
- Example of currency difference on transactions:
  - Intercompany sales of 100 Ke recorded in an entity with base currency is USD: Sales will be booked using the currency exchange rates = 90.7 K\$ (1.1023).
  - However in Consolidated report in EUR, the sales amount will be converted from USD to EUR using the consolidation exchange rate: 101 Ke (1.1065).
  - Your transaction will not have the same amount in the subsidiaries and in the elimination process (difference will go to the CTA).

ORACLE NETSUITE ecovadis

Search

Activities Payments Transactions Lists Reports Analytics Documents Setup Customization Planning & Budgeting

**Currency Exchange Rates**

New Refresh

FILTERS

AS OF 31/1/2020

BASE CURRENCY	SOURCE CURRENCY	EXCHANGE RATE	EFFECTIVE DATE
USD	AUD	0.6722	31/1/2020
USD	BGN	0.563571	31/1/2020
USD	BRL	0.23563	31/1/2020
USD	CAD	0.7573	31/1/2020
USD	CHF	1.0302	31/1/2020
USD	CNY	0.144157	31/1/2020
USD	CZK	0.04366	31/1/2020
USD	DKK	0.1475	31/1/2020
USD	EUR	1.1023	31/1/2020

**Consolidated Exchange Rates**

VIEW Consolidated Exchange Rates Customize View Calculate

FILTERS

PERIOD Jan 2020 ACCOUNTING BOOK Consolidation FROM SUBSIDIARY - All - TO SUBSIDIARY EcoVadis Holding

EDIT VIEW CALCULATE PERIOD CLOSED FROM SUBSIDIARY A CURRENT AVERAGE HISTORICAL

Edit   View	Jan 2020	Yes	CyberVadis France	1.00	1.00	1.00
Edit   View	Jan 2020	Yes	CyberVadis Group	1.00	1.00	1.00
Edit   View	Jan 2020	Yes	EcoVadis Canada	0.6869	0.68696654	0.6869
Edit   View	Jan 2020	Yes	EcoVadis France	1.00	1.00	1.00
Edit   View	Jan 2020	Yes	EcoVadis Group	1.00	1.00	1.00
Edit   View	Jan 2020	Yes	EcoVadis HK	0.116745	0.11619202	0.116745
Edit   View	Jan 2020	Yes	EcoVadis Japan	0.008314	0.00828879	0.008314
Edit   View	Jan 2020	Yes	EcoVadis Mauritius	0.0246	0.02455916	0.0246
Edit   View	Jan 2020	Yes	EcoVadis Poland	0.2329	0.23271144	0.2329
Edit   View	Jan 2020	Yes	EcoVadis Tunisia	0.3207	0.32008424	0.3207
Edit   View	Jan 2020	Yes	EcoVadis USA	0.907	0.90376131	0.907
Edit   View	Jan 2020	Yes	Elimination Group*	1.00	1.00	1.00
Edit   View	Jan 2020	Yes	Elimination*	1.00	1.00	1.00



# Set-up of secondary book (1/5)

- > For IFRS & Consolidation adjustments, we have created a secondary book which is « Adjustment only ».
- > Main advantages of the adjustment only book are:
  - It is taking 100% of the primary data without any specific set-up (including the book specifics booked in the primary book).
  - You can record specific adjustments directly in the secondary book of each entity (it will be a « book specific journal entry »).

### Accounting Book

EditBackActions ▾

#### Primary Information

NAME  
Consolidation

SUBSIDIARY  
EcoVadis Holding

☒ INCLUDE CHILDREN

☐ IS PRIMARY

☒ ENABLE CONSOLIDATION

EFFECTIVE PERIOD  
Jan 2013

#### Advanced Revenue Management

☐ ENABLE CONTINGENT REVENUE HANDLING

☐ ENABLE TWO STEP REVENUE ALLOCATION

UNBILLED RECEIVABLE ADJUSTMENT JOURNAL GROUPING  
Element

#### Adjustment Books

☒ ADJUSTMENT ONLY

BASE BOOK  
Primary Accounting Book

Subsidiaries

History

Workflow

SUBSIDIARY	BASE CURRENCY	PRIMARY BOOK BASE CURRENCY	TRANSLATION EXC
EcoVadis Holding	EUR	EUR	

ecovadis

Document Classification: EcoVadis Confidential – Restricted use (AUFO)

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# Set-up of secondary book (2/5)

- > All reports generated from Netsuite on the Adjustment only book, will include :

Data of the primary book + Data of the adjustment only book

- > It is not possible to extract reports from Netsuite with data ONLY of the adjustment book (however you can create saved search for that – see after slide « Booking IFRS & Consolidation entry »)
- > Please note that in the reports section of Netsuite, you have specific reports to compare data from Primary book with data from Adjustment book :
  - Multi-Book Income Statement
  - Multi-Book Balance Sheet



# Set-up of secondary book (3/5)

- Multi-book Balance sheet:

Multi-Book Balance Sheet

[View Detail](#)

FINANCIAL ROW	AMOUNT (BOOK 1)	AMOUNT (BOOK 2)	DIFFERENCE
<b>ASSETS</b>			
<b>Current Assets</b>			
+ Bank			
+ Accounts Receivable			
+ Unbilled Receivable			
+ Other Current Asset			
10000 - Undeposited Funds			
11026 - Provision volume discount to be issued			
12011 - Withholding tax receivables			
12015 - Tax Credit Receivable			
14000 - IFRS - Financial & Treasury assets			
14010 - FR - VAT deductible FR			
14011 - FR - VAT deductible EU			
14013 - FR - VAT deductible on fixed assets			
14014 - FR - VAT credit			
14015 - FR - VAT reimbursements to request			
14016 - CAN - GST/HST on Purchases			
14017 - CAN - PST Deductible BC			
14018 - CAN - PST deductible ON			
14019 - PL - VAT on Purchases PL			
14022 - MU - VAT on Purchases			
14023 - TN - VAT on Purchases			
14025 - JP - C Tax on purchases			
14026 - Internal transfer			
14027 - Various expenses to be paid			
14028 - TN - Transfer account Sourcea			
14030 - FR - Unrealized Gain/Loss - Asset			
14031 - Suspense account - Asset			
15010 - Deferred Expense			
15011 - Deferred expenses (manual)			
15013 - Prepaid taxes			
15014 - JP - Prepaid labor insurance			
15015 - IFRS - Deferred Rental cost ST			
34317 - Social charges - Reimb. to received			
34905 - Personnel - Advances and down payme			
Total Other Current Asset			
Total Current Assets			
+ Fixed Assets			
+ Other Assets			
Total ASSETS			

END OF (Custom)

AS OF Jan 2020

SUBSIDIARY CONTEXT EcoVadis Holding (Consolidated)

ACCOUNTING BOOK 1 Primary Accounting Book

ACCOUNTING BOOK 2 Consolidation

Amount book 1 = Data from Primary book

Amount book 2 = Data from Primary book + Adjustments booked on secondary book

Difference = Adjustments booked on secondary book



# Set-up of secondary book (4/5)

- > The multi-book report is also available per subsidiary (needed for statutory consolidation: contributif per entity).

Multi-Book Income Statement [View Detail](#)

FINANCIAL ROW	CYBERVADIS FRANCE			ECOVADIS CANADA			ECOVADIS FRANCE			ECOVADIS HK			ECOVADIS JAPAN			E
	Amount (Book 1)	Amount (Book 2)	Difference	Amount (Book 1)	Amount (Book 2)	Difference	Amount (Book 1)	Amount (Book 2)	Difference	Amount (Book 1)	Amount (Book 2)	Difference	Amount (Book 1)	Amount (Book 2)	Difference	
[-] Ordinary Income/Expense																
+ Income																
Gross Profit																
+ Expense																
Net Ordinary Income																
[-] Other Income and Expenses																
+ Other Income																
+ Other Expense																
Net Other Income																
Net Income																

PERIOD Last Period FROM Jan 2020 TO Jan 2020

SUBSIDIARY CONTEXT EcoVadis Holding (Consolidated)

ACCOUNTING BOOK 1 Primary Accounting Book ACCOUNTING BOOK 2 Consolidation

COLUMN Subsidiary

RefreshCustomize



# Set-up of secondary book (5/5)

- > Once you have created your secondary book, remember to update :
  - your chart of accounts.
  - the access roles to give permission to the new book.
- > For each account you can select if you want to restrict the access to :
  - Primary book
  - Secondary book
  - Both
- > Depending on the adjustments type, we have created or not dedicated accounts for IFRS.

**Account**  
14000 IFRS - Financial & Treasury assets

NUMBER \*  
14000

NAME \*  
IFRS - Financial & Treasury as

SUBACCOUNT OF

TYPE  
Other Current Asset

CURRENCY

GENERAL RATE TYPE  
Current

CASH FLOW RATE TYPE  
Average

☐ REVALUE OPEN BALANCE FOR FOREIGN CURRENCY TRANSACTIONS  
☐ ELIMINATE INTERCOMPANY TRANSACTIONS

DESCRIPTION

☐ SUMMARY  
☐ INACTIVE

RESTRICT TO DEPARTMENT

RESTRICT TO LOCATION

SUBSIDIARIES \*  
EcoVadis Holding  
EcoVadis Holding : CyberVadis Group  
EcoVadis Holding : CyberVadis Group : Cy

☒ INCLUDE CHILDREN

RESTRICT TO ACCOUNTING BOOK  
Primary Accounting Book  
Consolidation

1099-MISC CATEGORY

Account available only for Consolidation book

**Account**  
10016 Bank FR - Paypal USD

NUMBER \*  
10016

NAME \*  
Bank FR - Paypal U

SUBACCOUNT OF

TYPE  
Bank

CURRENCY  
USD

GENERAL RATE TYPE  
Current

CASH FLOW RATE TYPE  
Average

☒ REVALUE OPEN BALANCE FOR FOREIGN CURRENCY TRANSACTIONS  
☐ ELIMINATE INTERCOMPANY TRANSACTIONS

DESCRIPTION

NEXT CHECK NUMBER  
1

☐ SUMMARY

☐ INACTIVE

ACTION MATCHES AND RECONCILE

BANK ACCOUNT NUMBER

RESTRICT TO DEPARTMENT

RESTRICT TO LOCATION

SUBSIDIARIES  
EcoVadis Holding : EcoVadis Group : EcoVadis France

☐ INCLUDE CHILDREN

RESTRICT TO ACCOUNTING BOOK  
Primary Accounting Book  
Consolidation

No restriction regarding accounting book: this account is available on all books



# Booking IFRS & Consolidation entry (1/5)

- > To record journal entry for IFRS & Consolidation adjustment, we are using the Make Book Specific Journal Entries

ORACLE<sup>®</sup> NETSUITE

ecovadis

Search

🕒

★

🏠

Activities

Payments

Transactions

Lists

Reports

Analytics

Documents

Setup

Customization

Plan

📄

Book Specific Journal

🔍

Save

Cancel

Reset

Acti

Primary Information

SUBSIDIARY ★

MEMO ★

Additional information

DOCUMENT DATE ★

REVERSAL DATE

☐ DEFER ENTRY

CURRENCY ★

AUD

Advance payment

PAYMENT METHOD

Transactions Overview

Bank

Purchases

Payables

Sales

Billing

Customers

Employees

Inventory

Quota/Forecast

Financial

Management

Make Journal Entries

Make Intercompany Journal Entries

Make Advanced Intercompany Journal Entries

Make Book Specific Journal Entries

Make Book Specific Intercompany Journal Entries

Make Book Specific Advanced Intercompany Journal Entries

Approve Journal Entries

Period End Journal Entries

Set Up Budgets

Copy Budgets

Create Allocation Schedules

Create Intercompany Allocation Schedules

Create Allocation Batches



# Booking IFRS & Consolidation entry (2/5)

- > The « book specific journal » form is the same as for regular journal entry. However you have to fulfill the « Accounting book » field.

Book Specific Journal

Save

Cancel

Reset

Actions

Primary Information

SUBSIDIARY

DATE

13/2/2020

MEMO

POSTING PERIOD

ENTRY NO.

To Be Generated

TRANSACTION NUMBER

To Be Generated

Additional information

DOCUMENT DATE

EXCHANGE RATE

0.618

REVERSAL DATE

CREATED FROM

CURRENCY

AUD

COMMENTS

DEFER ENTRY

Advance payment

PAYMENT METHOD

FOR ELECTRONIC BANK PAYMENT

Approval route

APPROVAL STATUS

Pending Approval

NEXT APPROVER

<Type then tab>

Classification

ACCOUNTING BOOK

Primary Accounting Book

Primary Accounting Book

Consolidation

CONSOLIDATION ADJUSTMENT



# Booking IFRS & Consolidation entry (3/5)

- > As for statutory purpose we need to provide auditors with the split of IFRS & Consolidation adjustments per type of adjustment, we have created a custom field on the journal entry level « Consolidation Adjustment ».
- > This field must be fulfilled for all journal entries booked in the secondary book.
- > Thanks to this field, we are able to extract data from Netsuite with all the adjustments booked by type of adjustment:

Book Specific Journal

JE54408

APPROVED FOR POSTING

Actions

Primary Information

SUBSIDIARY  
EcoVadis France

MEMO  
Adjustment of investments shares EV Mauritius

DATE  
30/9/2017

POSTING PERIOD  
Sep 2017

ENTRY NO.  
JE54408

TRANSACTION NUMBER  
JOURNAL54408

Additional information

DOCUMENT DATE  
30/9/2017

REVERSAL DATE

CURRENCY  
EUR

EXCHANGE RATE  
1.00

REVERSAL #

CREATED FROM

COMMENTS

Advance payment

PAYMENT METHOD

☐ FOR ELECTRONIC BANK PAYMENT

Approval route

APPROVAL STATUS  
Approved

NEXT APPROVER

Classification

ACCOUNTING BOOK  
Consolidation

CONSOLIDATION ADJUSTMENT  
Investment in subsidiaries

COUNTRY OF ORIGIN



# Booking IFRS & Consolidation entry (4/5)

- > As there is no detailed report available on adjustment only book, we are using a saved search to extract our book specific journal entries.

## Saved Multi-Book Accounting Transaction Search

### Book Specific View

Save & Run

Reset

Cancel

Preview

New Template

Change ID

Actions

SEARCH TITLE \*

Book Specific View

ID

customsearchmultibookaccountingtransac\_8

OWNER \*

18389 Sophie Walch

Criteria

Results

Highlighting

Available Filters

Audience

Roles

Email

Audit Trail

Execution Log

Search Title Translation

USE EXPRESSIONS

Standard

Summary

FILTER *	DESCRIPTION *
Transaction : Main Line	is true
Transaction : Type	is all
Accounting Book	is Consolidation

## Saved Multi-Book Accounting Transaction Search

### Book Specific View

Save & Run

Reset

Cancel

Preview

New Template

Change ID

SEARCH TITLE \*

Book Specific View

ID

customsearchmultibookaccountingtransac\_8

OWNER \*

18389 Sophie Walch

Criteria

Results

Highlighting

Available Filters

Audience

Roles

Email

Audit Trail

Columns	Drill Down Fields
Remove all	Add Multiple
FIELD *	
::	Subsidiary
::	Transaction : Subsidiary (no hierarchy)
::	Transaction : Approval Status
::	Transaction : Accounting Book
::	Transaction : Period
::	Transaction : Date
::	Transaction : Document Date (Custom Body)
::	Transaction : Reversal Date
::	Transaction : Memo (Main)
::	Transaction : Consolidation adjustment (Custom Body)
::	Transaction : Type
::	Transaction : Document Number
::	Transaction : Reversal Number
::	Account
::	Transaction : Memo
::	Amount
::	Amount (Foreign Currency)
::	Transaction : Currency
::	Transaction : BU
::	Transaction : Site
::	Account : General Rate Type
::	Account : Account Type
::	Transaction : Is Reversal



# Booking IFRS & Consolidation entry (5/5)

> This saved search allow us to obtain the following data:

ORACLE NETSUITE

ecovadis

Search

HelpFeedback18389 Sophie WalchEcoVadis Group - Administrator

ActivitiesPaymentsTransactionsListsReportsAnalyticsDocumentsSetupCustomizationPlanning & BudgetingFixed AssetsSupport

Book Specific View: Results

Return To CriteriaEdit this Search

FILTERS

TYPE

- All -

DATE

All

FROM

TO

CONSOLIDATION ADJUSTMENT

- All -

ACCOUNT

- All -

SITE

- All -

SUBSIDIARY

- All -

APPROVAL STATUS

- All -

STYLE

Normal

30/9/2017 — 31/12/2017

TOTAL: 2406

EDIT   VIEW	SUBSIDIARY	SUBSIDIARY (NO HIERARCHY)	APPROVAL STATUS	ACCOUNTING BOOK	PERIOD	DATE *	DOCUMENT DATE	REVERSAL DATE	MEMO (MAIN)	CONSOLIDATION ADJUSTMENT	TYPE	DOCUMENT NUMBER	REVERSAL NUMBER	ACCOUNT	MEMO	AMOUNT	AMOUNT (FOREIGN CURRENCY)	CURRENCY
View	EcoVadis Holding : EcoVadis Group : EcoVadis France	EcoVadis France	Approved	Consolidation	Sep 2017	30/9/2017	30/9/2017		Adjustment of investments shares EV Mauritius	Investment in subsidiaries	Journal	JE54408		23010 FR - EcoVadis Mauritius Ltd	Adjustment of investments shares EV Mauritius			EUR
View	EcoVadis Holding : EcoVadis Group : EcoVadis France	EcoVadis France	Approved	Consolidation	Sep 2017	30/9/2017	30/9/2017		Adjustment of investments shares EV Mauritius	Investment in subsidiaries	Journal	JE54408		53000 Cumulative Translation Adjustment-Elimination	Adjustment of investments shares EV Mauritius			EUR
View	EcoVadis Holding : EcoVadis Group : EcoVadis France	EcoVadis France	Approved	Consolidation	Sep 2017	30/9/2017	30/9/2017		Adjustment of investments shares EV PL	Investment in subsidiaries	Journal	JE54409		23011 FR - EcoVadis Polska	Adjustment of investments shares EV PL			EUR
View	EcoVadis Holding : EcoVadis Group : EcoVadis France	EcoVadis France	Approved	Consolidation	Sep 2017	30/9/2017	30/9/2017		Adjustment of investments shares EV PL	Investment in subsidiaries	Journal	JE54409		53000 Cumulative Translation Adjustment-Elimination	Adjustment of investments shares EV PL			EUR
View	EcoVadis Holding : EcoVadis Group : EcoVadis France	EcoVadis France	Approved	Consolidation	Sep 2017	30/9/2017	30/9/2017		Adjustment of investments shares EV TN	Investment in subsidiaries	Journal	JE54410		53000 Cumulative Translation Adjustment-Elimination	Adjustment of investments shares EV TN			EUR



# Monthly consolidation process

- > We are booking consolidation adjustments on a monthly basis (mainly accrual basis).
- > When both « primary book » and « consolidation book » transactions are closed, we are following the steps of the Period Close Checklist.
- > Please note that :
  - The reevaluation of Open Foreign Currency Balances is done only on Primary book.
  - The Consolidated Exchange Rate calculation must be done on both BOOKS : primary + secondary
  - Eliminate intercompany Transactions is done only on Primary book (as consolidation book is an adjustment only book).
- > Once the closing is done, data are exported to Excel / PBCS for reporting purposes.

## Period Close Checklist: Jan 2020

FILTERS

ACCOUNTING BOOK  
All

PERIOD NAME Jan 2020


STATUS Open

GO TO TASK	TASK
➡	Lock A/R
➡	Lock A/P
➡	Lock All
➡	Review Custom GL Plug-in Executions
➡	Revalue Open Foreign Currency Balances
➡	Calculate Consolidated Exchange Rates
➡	Eliminate Intercompany Transactions
➡	Create Period End Journals
➡	GL Audit Numbering
➡	Close



# Statutory consolidation process (1/5)

- > Once the year, we are preparing statutory consolidated financial statements and additional reports for audit.
- > As Netsuite is not a dedicated tool for consolidation, all tables cannot be extracted directly. Here are the main reports that we are preparing for consolidation :
  - Reports extracted directly from Netsuite :
    - IFRS Income Statement / Balance sheet (customized reports)
    - Cash-flow statement (standard but to be confirmed)
    - CTA balance audit (impact of exchange rate)
  - Reports extracted from Netsuite and manually updated :
    - Contributif (contribution by entity)
    - Tableau de passage (FS from statutory to consolidation per account & type of adjustment)
  - Reports prepared fully manually as not available in Netsuite:
    - Equity variation
    - Deferred tax by entity
- For the notes to the financial statements, all tables are prepared from extraction of Netsuite.



See following slides for more details



# Statutory consolidation process (2/5)

> **IFRS Consolidated Income statement / Balance sheet:**

- To obtain this report directly from Netsuite, we did not use the parent account option but we have created additional custom fields on the account level: 3 customs fields for 3 levels. Example 1st level = Assets. 2nd level = Current Assets. 3rd level = Trade and other receivables.

Account

10165 Bank MAUR - HSBC MUR 403401-006

Save

Cancel

Reset

Actions

NUMBER

10165

NAME

Bank MAUR - HSBC MUR 403401-006

SUBACCOUNT OF

TYPE

Bank

CURRENCY

MUR

GENERAL RATE TYPE

Current

CASH FLOW RATE TYPE

Average

☐ REVALUE OPEN BALANCE FOR FOREIGN CURRENCY TRANSACTIONS

☐ ELIMINATE INTERCOMPANY TRANSACTIONS

DESCRIPTION

NEXT CHECK NUMBER

745

☐ SUMMARY

☐ INACTIVE

☐ USE CONFIRM TRANSACTION MATCHES AND RECONCILE ACCOUNT STATEMENT PAGES

LANGUAGE

BANK NAME

BANK ROUTING NUMBER

BANK ACCOUNT NUMBER

RESTRICT TO DEPARTMENT

RESTRICT TO LOCATION

SUBSIDIARIES

EcoVadis Holding : EcoVadis Group : EcoVadis Mauritius

☐ INCLUDE CHILDREN

RESTRICT TO ACCOUNTING BOOK

Primary Accounting Book

Consolidation

BANK ACCOUNT NUMBER

SHOW IN FIXED ASSETS MANAGEMENT

Asset Account

Depreciation Account

Depreciation Expense

Write Off Account

SUB CAT

CATEGORY OF EXPENSE

☐ PLP POLISH ACCOUNT

PLP PARENT ACCOUNT

PLP ACCOUNT TYPE

PLP ACCOUNT GROUP

IFRS ACCOUNT GROUP

a. Assets

IFRS ACCOUNT TYPE

a.2 Current Assets

IFRS PARENT ACCOUNT

a.2.4 Cash and cash equivalents



# Statutory consolidation process (3/5)

## > IFRS Consolidated Income statement / Balance sheet:

### IFRS Balance sheet

ACCOUNT	TOTAL
<b>a. Assets</b>	
<b>a.1 Non-current assets</b>	
a.1.1 Goodwill	
a.1.2 Intangible assets	
a.1.3 Property, plant and equipment	
a.1.4 Financial assets	
a.1.5 Other non-current assets	
a.1.6 Deferred tax assets	
Total - a.1 Non-current assets	
<b>a.2 Current Assets</b>	
a.2.1 Trade and other receivables	
a.2.2 Current tax asset	
a.2.3 Other current assets	
a.2.4 Cash and cash equivalents	
Total - a.2 Current Assets	
Total - a. Assets	
<b>b. Liabilities and equity</b>	
<b>b.1 Equity</b>	
b.1.1 Share Capital	
b.1.2 Share premium	
b.1.3 Retained earnings	
b.1.4 Consolidated reserves	
b.1.6 Non-controlling interests	
Total - b.1 Equity	
<b>b.2 Non Current Liabilities</b>	
b.2.1 Long-term Borrowings	
b.2.2 Pension Liabilities - Non-Current	
b.2.3 Deferred tax liabilities	
b.2.4 Other non-current liabilities	
Total - b.2 Non Current Liabilities	
<b>b.3 Current Liabilities</b>	
b.3.1 Short-term borrowings	
b.3.2 Trade and other payables	
b.3.3 Current tax liabilities	
b.3.4 Social debts	
b.3.5 Deferred income - Current	
b.3.6 Other Current Liabilities	
Total - b.3 Current Liabilities	
Total - b. Liabilities and equity	
i3015 - Cumulative Translation Adjustment	
Total	

### IFRS Income Statement

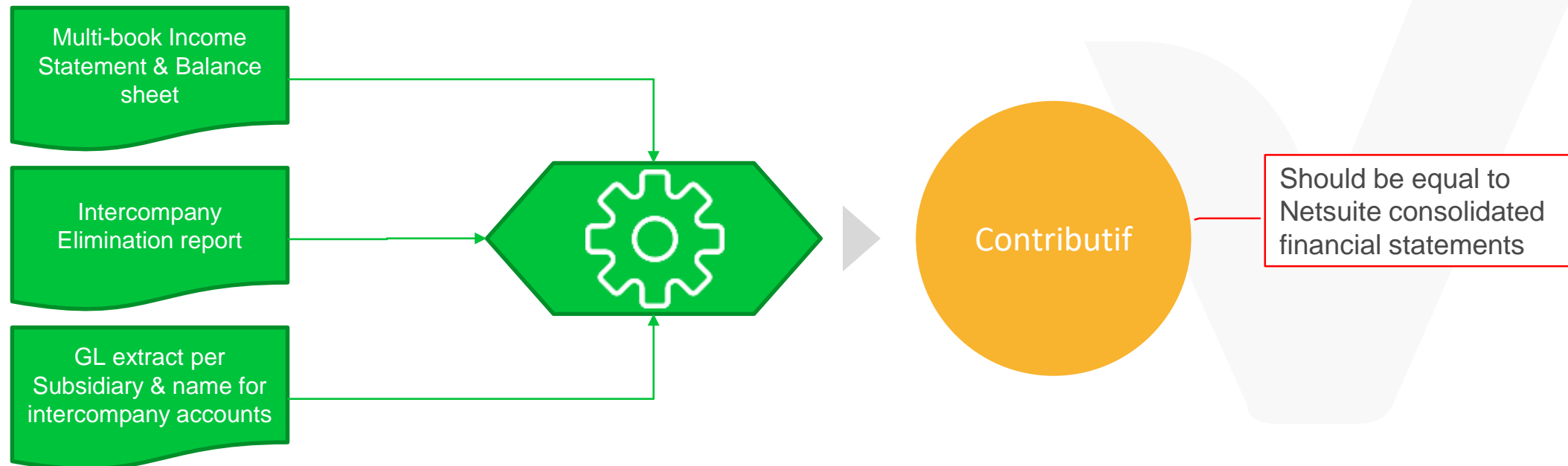
ACCOUNT	TOTAL
<b>c. Operating income</b>	
<b>c.1 Revenue</b>	
c.1.1 Revenue	
c.1.2 Other operating income	
Total - c.1 Revenue	
Total - c. Operating income	
<b>d. Operating expenses</b>	
<b>d.1 Operating expenses</b>	
d.1.1 External charges	
d.1.2 Compensation expenses	
d.1.3 Depreciation and amortisation	
d.1.4 Other operating expense	
Total - d.1 Operating expenses	
Total - d. Operating expenses	
<b>e. Net borrowing cost</b>	
<b>e.1 Net borrowing cost</b>	
e.1.1 Bank revenue	
e.1.2 Borrowing cost	
Total - e.1 Net borrowing cost	
Total - e. Net borrowing cost	
<b>f. Financial income</b>	
<b>f.1 Financial income</b>	
f.1.1 Other financial income	
Total - f.1 Financial income	
Total - f. Financial income	
<b>g. Financial expenses</b>	
<b>g.1 Financial expenses</b>	
d.1.4 Other operating expense	
g.1.1 Other financial expenses	
Total - g.1 Financial expenses	
Total - g. Financial expenses	
<b>h. Income tax</b>	
<b>h.1 Income tax</b>	
h.1.1 Income tax	
Total - h.1 Income tax	
Total - h. Income tax	
<b>i. Non operating income</b>	
<b>i.1 Non operating income</b>	
i.1.1 Other non operating income	
Total - i.1 Non operating income	
Total - i. Non operating income	



# Statutory consolidation process (4/5)

## > Contribution by entity (contributif):

- To prepare the « contributif » we are using the multi-book income statement and balance sheet report per subsidiary.
- Unfortunately all intercompany elimination entries must be allocated on the good entity to obtain the correct contribution.
- In order to identify for each entity, the elimination entries booked we are using a mix of :
  - Elimination report from Netsuite
  - An extract of all additional accounts which are not included in the Elimination report.

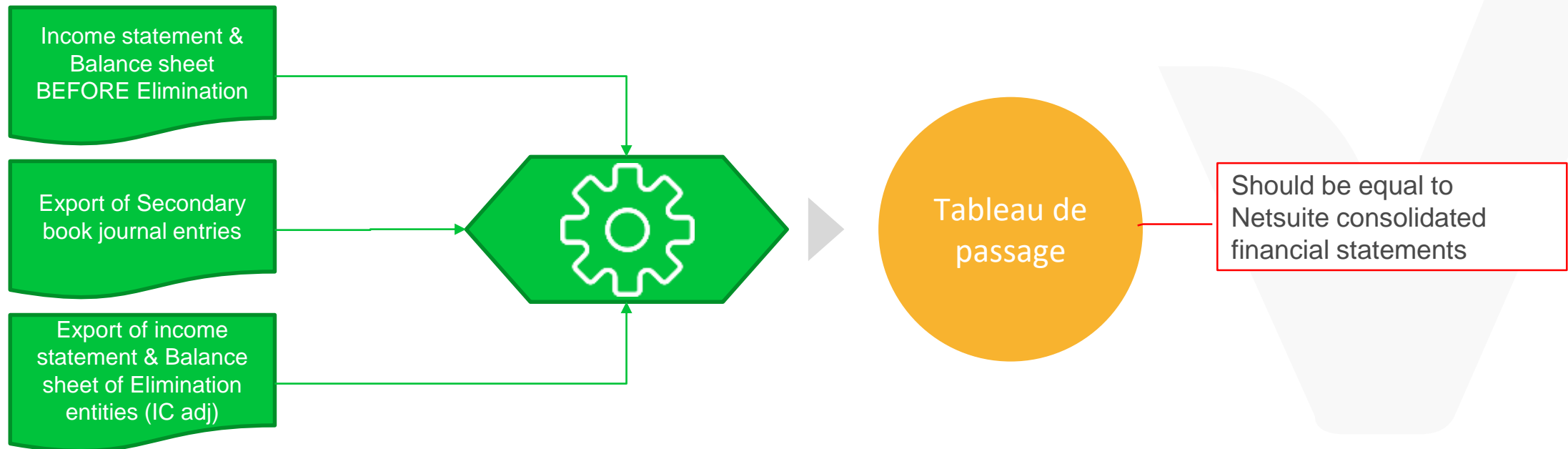




# Statutory consolidation process (5/5)

## > Tableau de passage (From Statutory to Consolidated accounts :

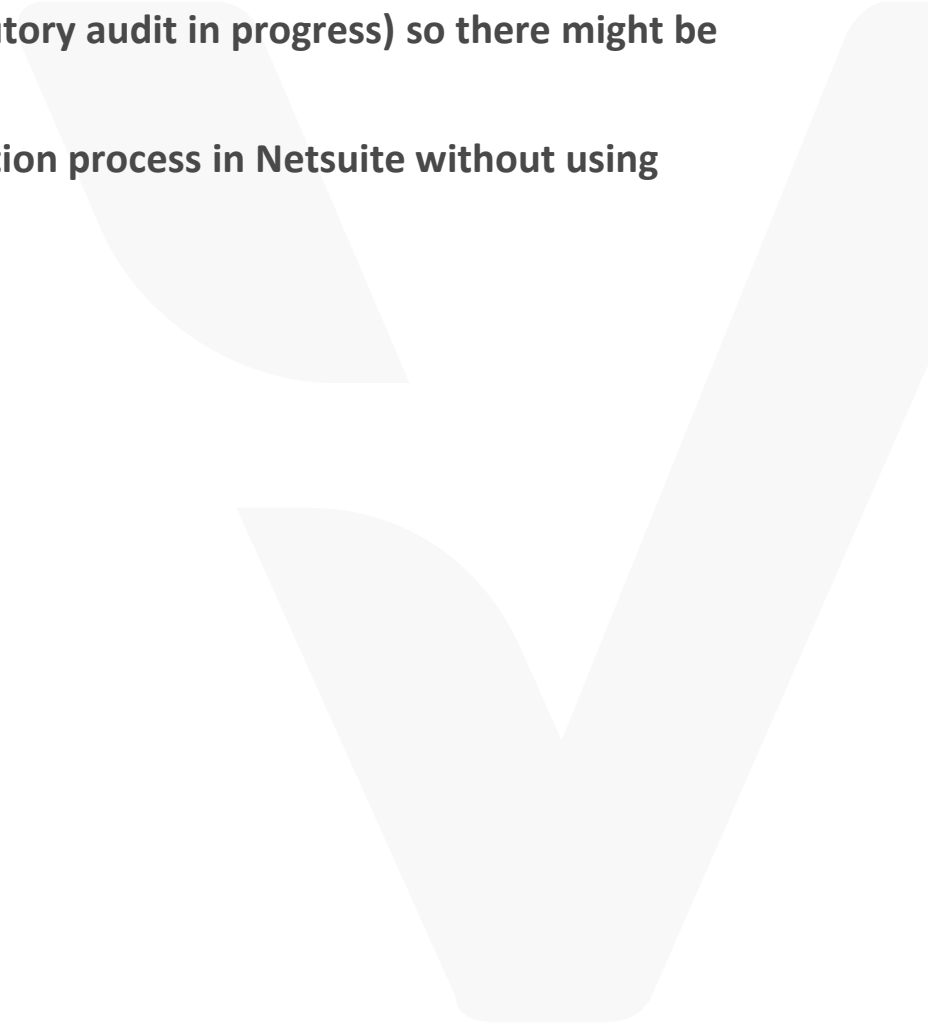
- To prepare the variation from Statutory to Consolidated accounts per type of adjustments we need to extract the journal entries booked on the secondary book:
  - For Income Statement we have to select the adjustments booked only during the period
  - For Balance sheet we have to select the adjustments booked since the beginning with the exchange rate of the closing period.
  - For Retained earnings: the impact of previous periods adjustments.





# Conclusion

- > The process is new in EcoVadis (1st monthly consolidation from Jan2020 and statutory audit in progress) so there might be room for improvements.
- > Complexity is quite low so it seems still OK for the group to keep all the consolidation process in Netsuite without using dedicated tool.
- > Main advantages are :
  - Unique tool for both monthly reporting and consolidation
  - No need to update any statutory data as everything is already in Netsuite.





Questions?





# THANK YOU

A dark wooden desk with a laptop, glasses, a cup of coffee, and a small plant. The laptop is on the right side, showing the keyboard. A pair of black-rimmed glasses is in the center. A white cup of dark coffee is at the bottom right. A small green plant is at the top right. The background is a dark wooden surface.

Sophie WALCH  
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