

IBM Planning Analytics

On Premises. On Cloud.



IFRS16 Solution

IBM Planning Analytics (TM1)

What is IFRS 16?

IFRS 16 is a new lease accounting standard which applies to any business taking out high-value leases — on equipment, on floor space, on vehicles, and so on. If the lease contract is for a year or more, the business must add the lease to its balance sheet.

Organisations need to rethink how they record lease information and how they calculate the costs of such leases in their financial statements. Although the standard was formulated in 2016, the effective date for its introduction is 1st January 2019.

ICit has developed a solution accelerator for IFRS16 based on IBM Planning Analytics. ICit professional services team configure the solution to meet individual company requirements. The solution is owned by the customer as a one-time services led installation. We also offer ongoing application support if required.

Solution

IFRS16

IBM Planning Analytics (TM1) – IFRS 16 Accelerator

Overview: ICit IFRS16 solution is a pre-built application to save development time and to provide rapid time to value to our customers. Whilst we require a number of configuration days to tailor to specific needs, the accelerator reduces the deployment time by over 50%.

Solution Features

- **Dataload:** lease details data can be input manually or imported from existing data source or csv file
- **Calculations:** NPV, Interest, Depreciation & Cashflow calculations already tested. Includes the specific calculations required for Modifications, Reassessments and Impairments
- **Lease Life:** the solution includes the lifetime value of each lease over the life of the lease
- **Reporting:** the solution has “out of the box” reporting;
 - Summary Report
 - Variance Report
 - Monthly Journal
 - Cashflow Analysis

Benefits

- **Accuracy:** Calculations at individual lease level
- **Speed:** Calculation run-time is a few minutes per month
- **Analysis:** Allows full access to underlying TM1 Cubes for ad hoc analysis and additional reporting