Planon RE Finance

Planon Software Suite
Version: L119

Planon

Building Connections

About this Document

Intended Audience

This document is intended for *Planon Software Suite* users.

Contacting us

If you have any comments or questions regarding this document, please send them to: support@planonsoftware.com.

Document Conventions

Bold
Names of menus, options, tabs, fields and buttons are displayed in bold type.

Italic text
Application names are displayed in italics.

CAPITALS
Names of keys are displayed in upper case.

Special symbols

	Text preceded by this symbol references additional information or a tip.
	Text preceded by this symbol is intended to alert users about consequences if they carry out a particular action in Planon.

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Planon RE Finance

RE Finance enables getting to cash flow, profit and loss and balance sheet prognosis on entity and consolidation levels in your organization.

A multi-year prognosis is established by importing individual projects from Reaforce , RE Assets and/or Excel. For each entity, this can then be supplemented with data at entity level by defining an opening position, general expenses, loans, dividend and share capital. In addition, various methods are available for recognizing income and expenses in the profit and loss account and for recognizing balance sheet positions.

Based on these inputs it is possible to compose a multi-year financial prognosis, review the plan, make adaptations, approve, and store the plan.

An import of Actuals is also possible, which creates a multi-year Financial Plan, composed of a combination of Actuals (past) and forecast (future).

Next to that additional analysis is possible by means of reports, pivots, and dashboards, both on an individual Financial Plan as well as across multiple Financial Plans.

Application overview

The RE Finance application is a web-based application that is started from your browser. The application is accessible as a user with the right credentials (user name, password) and the right user role. The user account should be a valid Microsoft account.

When opening RE Finance , the home screen is shown:
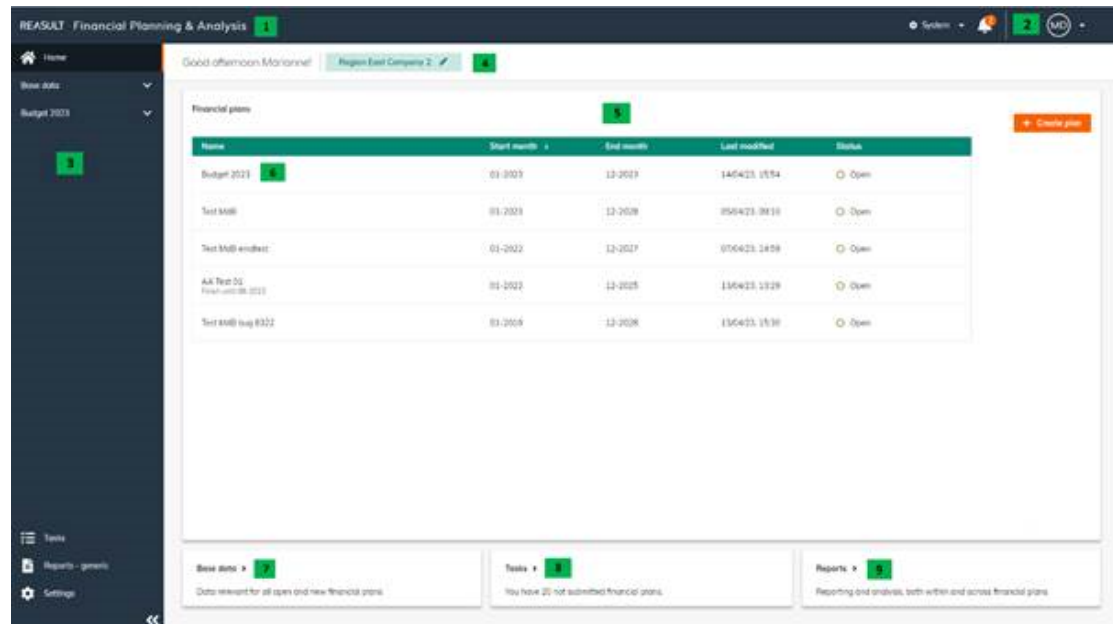
The home screen contains the following elements:

1. **Application header**: In the header the application name is shown.
2. **User profile**: On the right side of the application header, user profile settings such as language-, number- and date formats can be changed. You can also indicate here whether whole numbers or thousands should be shown on the screens in the financial statements. In addition, the user name, Help and About information is found in this menu. Lastly, the user can logout using the user profile menu.
3. **Navigation panel**: The navigation panel on the left of the screen enables a single-click-jump to various sections of the application. The selected section is indicated with an orange marker. The navigation panel is expandable or collapsible by clicking the arrows ![arrows], or by using the <F4> key.
4. **Screen name and Entity**: In the upper area the screen name and bread crumb is shown. The bread crumb (not visible on the home screen) enables navigation within a section to the relevant screen.

Also the name of the selected Entity is shown. All data on the screen relates to the selected entity.

The user can switch Entity by clicking on the Entity name and then selecting another Entity.

5. **Main application area**:The light parts of the screen show relevant application data and functionalities.

6. **Financial Plans**: In this section all data is entered and shown for the selected Financial Plan.

7. **Base Data**: In the section Base Data all data applicable to all open and future Financial Plans is stored.

8. **Tasks**: This section shows all relevant tasks for the current user.

9. **Reports - generic**: The Reports section shows all generic application reports. Reports that pertain to a specific Financial Plan can be found in the Financial Plan section.

High level process & user roles

Prerequisites

Important! The prerequisite for working with the RE Finance application is that the following items are set up in the Master Data application:

- Company structure
- Users (including or excluding the role of Global Administrator for RE Finance)
- FP&A Licenses

See the Master Data manual for this.

Roles

The Financial Planning & Analysis (FP&A) application distinguishes different user roles. Every role has connected rights that enable access to specific functionalities within RE Finance .

The following roles exist in FP&A:

- **Global (System) Administrator**: this role can create and maintain user roles, enterprise base data and application defaults. Next to that, the Global Administrator can create Financial Plans.
- **(Local) Administrator**: this role can define VAT Settings, Index Series, and Payment Schedules on Entity level.
- **Financial Controller**: this role can import source data and add non-real estate related cash flow data.
- **Reviewer**: this role can review and thereafter approve or reject Financial Plans.
- **Reader**: this role can read a Financial Plan.
- **Analyst**: this role can run reports or pivots on Financial Plan data.

RE Finance process

The RE Finance process in which these roles play their part looks as follows (see the following screenshot):

Step 0. **System Settings – User data**

The Global Administrator makes application wide settings under which the definition of User roles to Users with an RE Finance license.

Step 1. **Financial Data on Enterprise level setup**

The Global Administrator takes care of the setup on application level (Enterprise level). This is a one-time action. Thereafter only incidental maintenance is needed. The following aspects needs to be covered during setup:

- Entity mapping (with Reaforce project companies or RE Assets ownership level)
- Definition of the Cash Flow Structure, P&L and Balance Sheet for the Enterprise
- Definition of the Cash Flow Structure, P&L and Balance Sheet for Excel
- Index Series for the Enterprise
- Payment Schedules for the Enterprise
- VAT Categories for the Enterprise
- Corporate Tax
- Revenue & Cost Recognition for the Enterprise (when Reaforce is used as source system)
- General Ledgers
- Financial rules

Step 2. **Financial data per entity setup**

The Local Administrator (of the given entity) takes care of the setup on entity level. This is a one-time action. Thereafter only incidental maintenance is needed. The following aspects can be covered during setup:

- Index Series per Entity
- Payment schedules per Entity
- CIT payment schedules per Entity
- VAT Settings for per Entity

Step 3. **Create Financial Plan**

The Global Administrator creates the overall Financial Plan for the Enterprise. This is needed for every financial period.

Step 4. **Financial Plan data import and data entry per Entity**

The Financial Controller (periodically) draws up the Financial Plan for his Entity. In doing so the following steps are relevant:

- Import Cash Flow prognosis from Reaforce projects, RE Assets or from Excel
- Entering the Opening Balance
- Entering General Expenses

- Entering Loans, both incoming and outgoing
- Entering Dividend payments and Share Capital transactions
- Import Actuals

Next, the Financial Controller submits the Financial Plan for review.

Step 5. **Review and approval of the Financial Plan per Entity**

The Reviewer reviews and approves or rejects the Financial Plan per Entity.

Step 6. **Financial Plan analysis**

The Reader analyzes the Financial Plans for one or more Entities.

The Analyst can analyze data for one or more Entities by creating reports, pivots and analyzing dashboards.

Step 7. **Financial Plan closure**

The last step in the process involves closure of the Financial Plan by the Global Administrator. No further actions are possible on the Financial Plan thereafter.
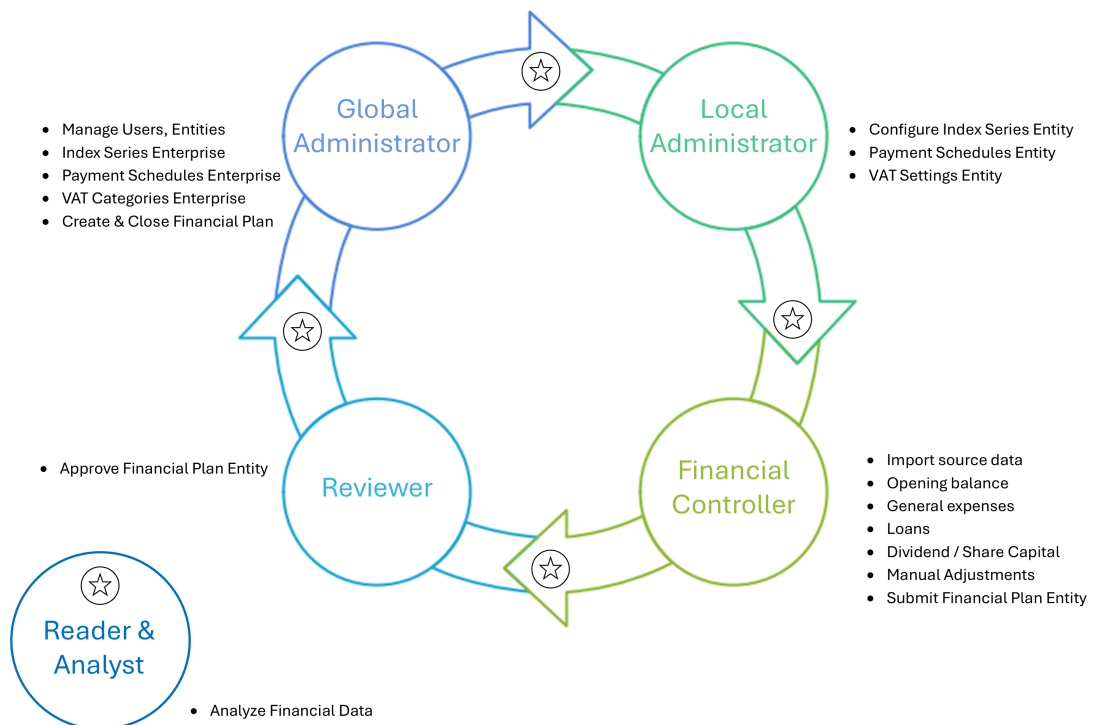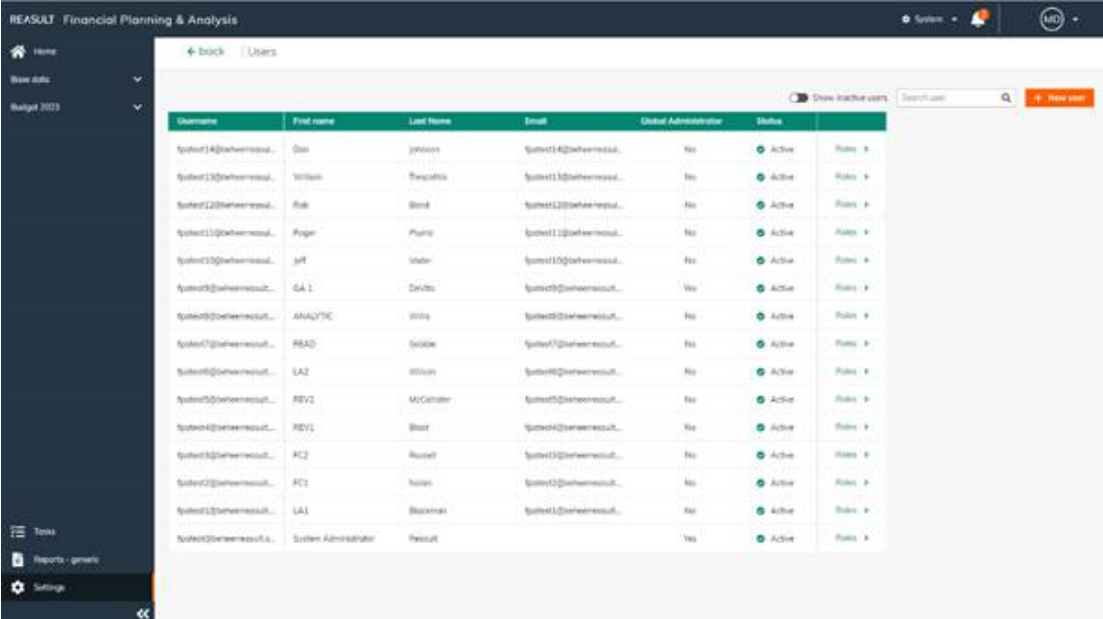
Settings – User data

As indicated in step 0 **System Settings – User data** in High level process & user roles, the Global Administrator defines the user roles per user by Entity.

These steps are detailed in the following sections.

Users

The Global Administrator can consult an overview of all users with an RE Finance license.

To do this, go in the navigation panel to Application Settings – Users (as part of the User data). The following screen will appear (see the following screenshot).

By selecting **Show inactive users** on the screen also the inactive users are shown in the grid.

Inactive users can no longer log on, or view or refresh reports or pivots.

Only the Global Administrator of the Master Data application can change the status (active or inactive) of a user.
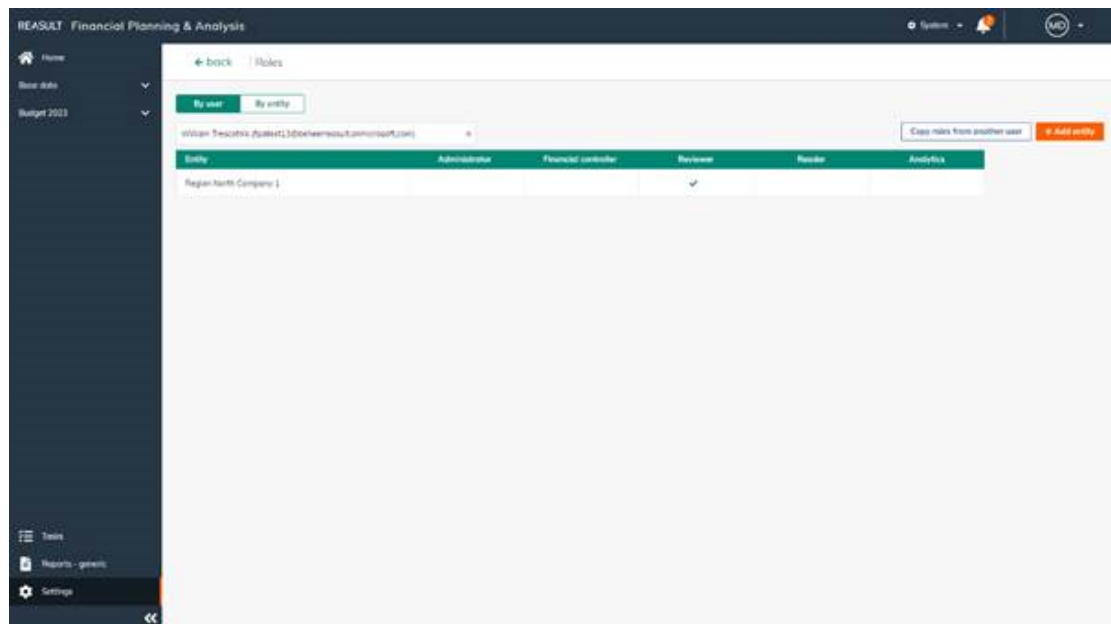
User Roles

Each User needs to be assigned the correct roles. These User Roles can be entered by Entity.

There are two ways of setting up user roles: by **User** or by **Entity**.

To do this, go in the navigation panel to Application Settings – Roles (as part of the User data).

Defining roles by User (see the following screenshot): On the Roles screen click the **By User** button and thereafter type the name of the user in the search box. Next add relevant entities using the **Add Entity** button. A slide-in appears in which the User Roles can be assigned. After saving, a new line is added to the screen in which the Entity and User Roles are shown (by a checkmark). Changing User Roles to this Entity can be done by clicking in this line which reopens the slide-in.

Defining roles by Entity (see the following screenshot): On the Roles screen click the **By Entity** button and next select the desired Entity. Next add relevant users using the **Add User button**. A slide-in appears in which the User Roles can be assigned. After saving, a new line is added to the grid in which the User and User Roles are shown (by a checkmark). Changing User Roles to this User can be done by clicking in this line which reopens the slide-in.
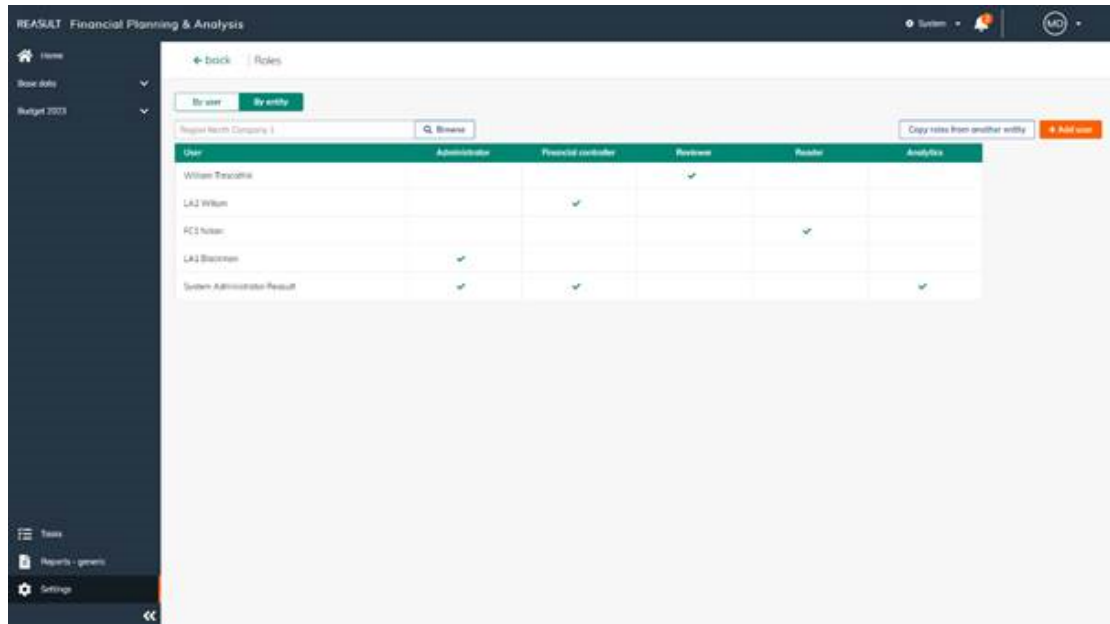
If the Entity is a parent entity, the system will raise the question whether to apply the User Role also to the lower level Entities. The same is true for removing a User Role from a parent entity.

Lastly, it is possible to copy the roles from one User to another User or from one Entity to another Entity.

For copying the Roles from one User to another User: go to user Roles, choose the By User modus and select the User to copy the roles to. Next, click the **Copy roles from another user** button, and select the user from whom to copy the roles.

For copying the roles from one Entity to another Entity: go to user Roles, choose the By Entity modus and select the Entity to copy the roles to. Next, click the **Copy roles from another Entity** button, and select the Entity from whom to copy the roles.

WARNING:

- During copying, existing roles are first removed from the target user/entity, next the roles from the source user/entity are copied to the target user.

- A notification appears in the header of the application when the

 copying action has been completed .

Enterprise level setup

As indicated in "Step 1. **Financial Data on Enterprise level setup**" in High-level processes and user roles, the Global Administrator defines the setup on Enterprise level. This is a one-time action that only requires attention afterwards in case of changes. The following aspects needs to be covered during setup:

- Entity mapping (with Reaforce project companies or RE Assets ownership level)
- Configuration of the Cash Flow structure, P&L and Balance Sheet
- Index Series for the Enterprise
- Payment Schedules for the Enterprise
- VAT Categories for the Enterprise
- Corporate Tax tariffs for the Enterprise
- Revenue & Costs recognition for the Enterprise (when Reaforce is used as source system)
- General ledgers

To do this, go to **Application Settings** in the navigation panel and then choose the **Enterprise-level** settings (see the following screenshot).
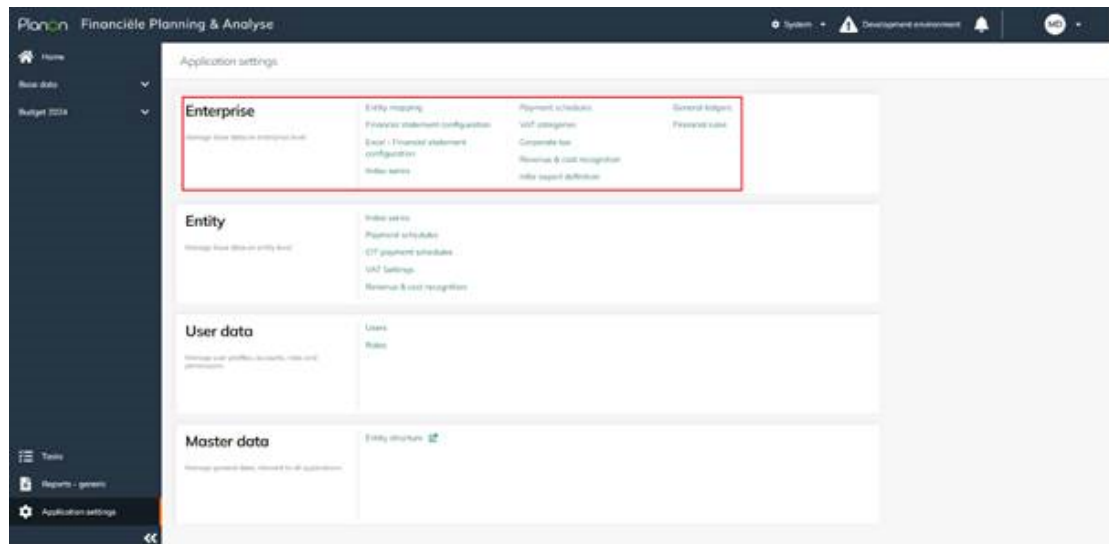
These steps are detailed in the following sections.

Entity mapping

For every Entity in the Entity Structure, the connection with the underlying source system (Project companies from Reaforce or Ownership level from RE Assets) can be indicated by selecting per Entity a company from the pick list (see the following screenshot).
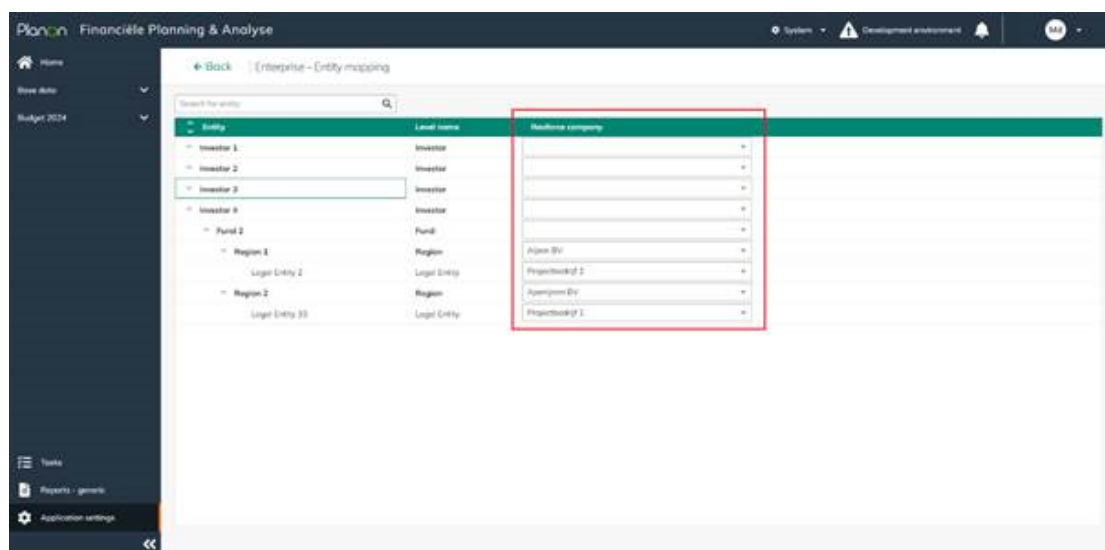
Configuration Financial Statement

The Global Administrator can detail the Financial Statement Structure), dependent on reporting and analysis needs.

This Structure consists of 2 parts:

1. General Structure - Financial statement configuration: groups/ categories for General Costs can be added here (see Financial Statement Configuration: General Structure).

2. Excel Structure - Financial statement configuration: for importing (project) forecasts from Excel (see Financial statement configuration: Excel structure).

In this structure, in addition to General Costs, groups/categories can also be added to other parts in the Cash Flow, Profit & Loss and Balance Sheet.

General ledgers can then be linked to the Structure of the Financial Statement (see Linking General Ledgers in the Financial Statement), so that Actuals can be imported.

Financial Statement Configuration: General Structure

For all Entities within the Enterprise the same Financial Statement Structure is used. It is not required for every Entity to use each line in the Financial Statement Structure though.

Within the general Financial Statement Structure, the Global Administrator can amend General Expenses.

Select the screen Financial Statement configuration (see the following screenshot). The current Structure of the Cash Flow, Profit & Loss and Balance sheet is shown.

By clicking on the Plus-sign in the Cash Flow structure, Profit & Loss or Balance Sheet for General expenses, a new category is added in General Expenses. This Category can be given the correct naming. In addition the Category can be positioned within the Cash Flow Structure using the **Move Up** and **Move Down** buttons.
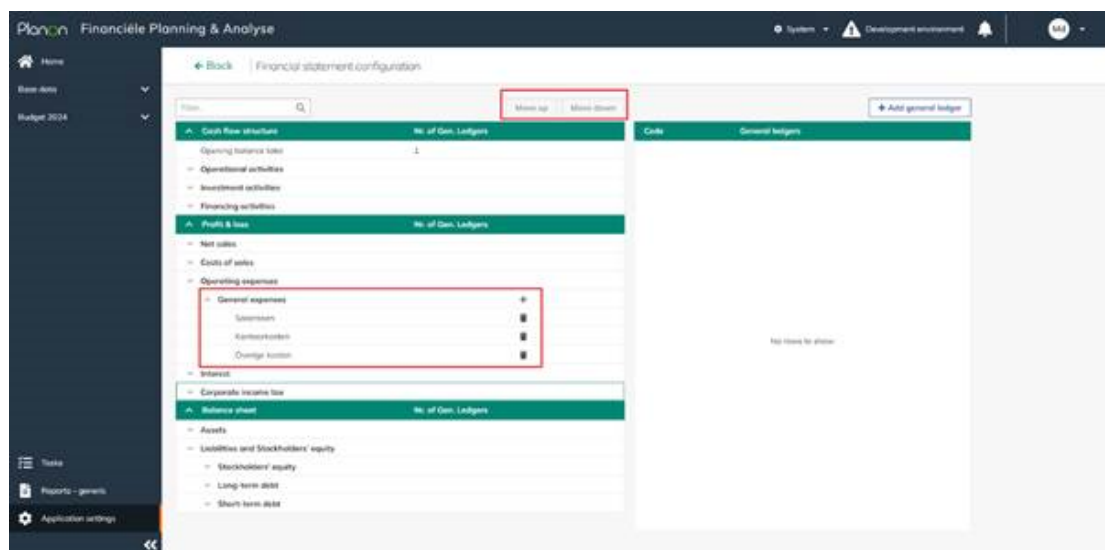
A Category may be deleted by selecting the Category and clicking on the recycle bin icon on the right.

This is only possible in case the Category is not used in an open Financial Plan.

Adjustments to the structure of the General Costs are then automatically processed in all parts of the Financial Statement (Cash Flow, Profit and Loss and Balance Sheet).

Financial Statement Configuration: Excel Structure

Next to importing Reaforce projects or RE Assets objects, it is possible to import (project) forecasts per Entity from Excel (see Import (project) forecasts via Excel). This requires defining first the Financial Statement Structure for Excel forecasts.

Select the screen **Excel - Financial statement Structure** (see the following screenshot). The current Structure of the Cash Flow, Profit & Loss and Balance sheet is shown.

By clicking on the Plus-sign on a Cash Flow line, a new line is added to the current structure. An unlimited number of lines or layers can be added in this way. Each line can be given the correct naming. In addition the line can be positioned within the Financial Statement using the **Move Up** and **Move Down** buttons.
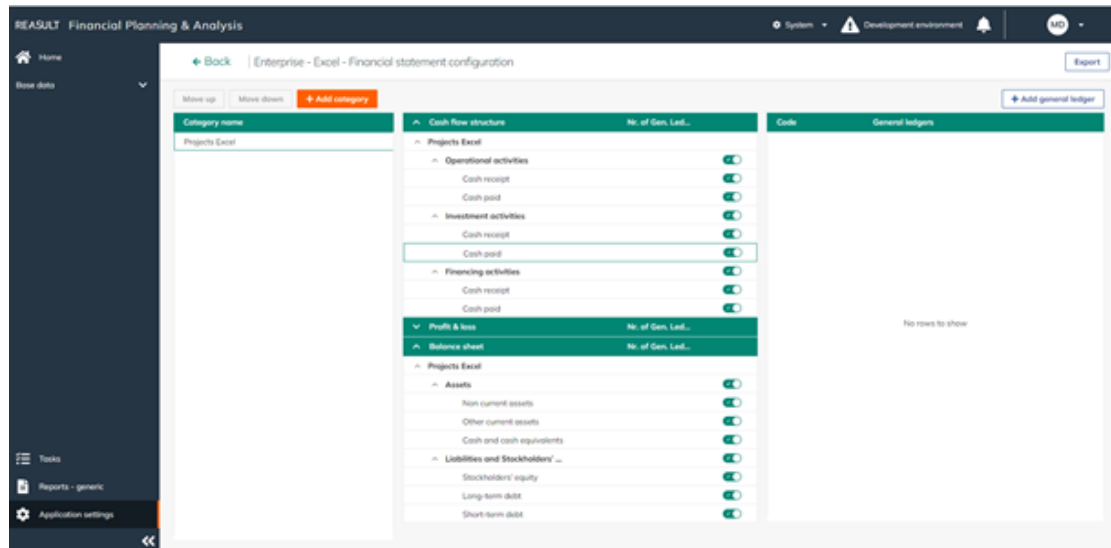
A line may be deleted by selecting the line and clicking on the recycle bin icon on the right.

Lines can also be turned on or off with the icon . When downloading the Excel template, lines that have been turned off are no longer shown.

If desired, a separate Excel template can be added per type of Excel import with different layers in the structure of the Financial overview.

By clicking on the button **Add category** a new template is added. An unlimited number of templates can be created. These can be given the correct name. It is also possible to put the templates in the right place in the financial overview by using the **Move Up** and **Move Down** buttons.

A Category/template may be deleted by selecting the Category and clicking on the recycle bin icon on the right.

This is only possible in case the Category/template is not used in an open Financial Plan.

Linking General Ledgers in the Financial Statement

To import Actuals (see Import of Actuals via Excel) it is necessary that all General Ledgers are linked in the Financial Statement.

The import of Actuals takes place at General Ledger level.

General Ledgers are linked in the General Structure of the Financial Statement if:

1. related to Reaforce projects or RE Assets objects

2. related to bank or cash. These are <u>always</u> linked to the 1st line in the Cash Flow Statement; Opening position liquidity total.

All other General Ledgers (for example: debtors, creditors, general expenses, depreciation) are linked to the Excel Structure of the Financial Statement.

WARNING:

The following applies to linking General Ledgers:

1. If P&L General Ledger: link in P&L and Cash Flow
2. If Balance Sheet General Ledger: link in BS and Cash Flow

By always linking all General Ledgers to the Cash Flow, the liquidity position can be calculated per period from the Start Month of the Financial Plan to the End Month of the Financial Plan.

when importing Actuals, Actuals from the liquidity General Ledgers are therefore ignored during the term of the Financial Plan.

Linking General Ledgers in the Structure of the Financial Statement works in the same way for both the General Structure and the Excel Structure.

To do this, select the screen Financial Statement configuration or Excel – Financial Statement configuration (see the following examples). The current Structure of the cash flow statement, Profit & Loss and Balance Sheet is shown. By clicking on a line in the structure, the right side of the screen offers the possibility to add 1 or more General Ledgers by clicking on the **Add General Ledger** button.

An unlimited number of General Ledgers can be added to a row. It is also possible to sort the General Ledgers in the financial overview by name or code.
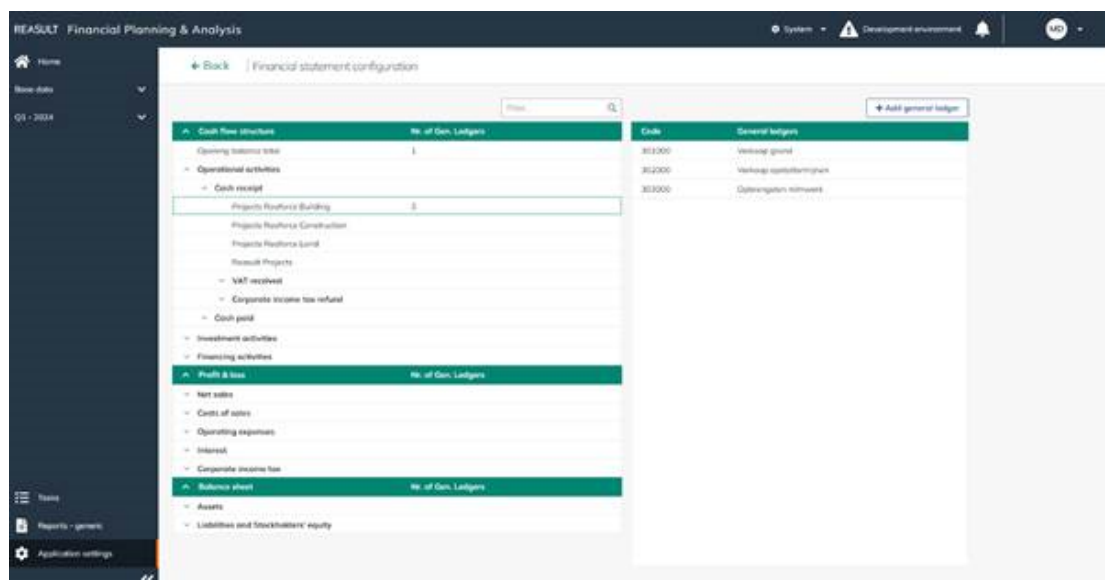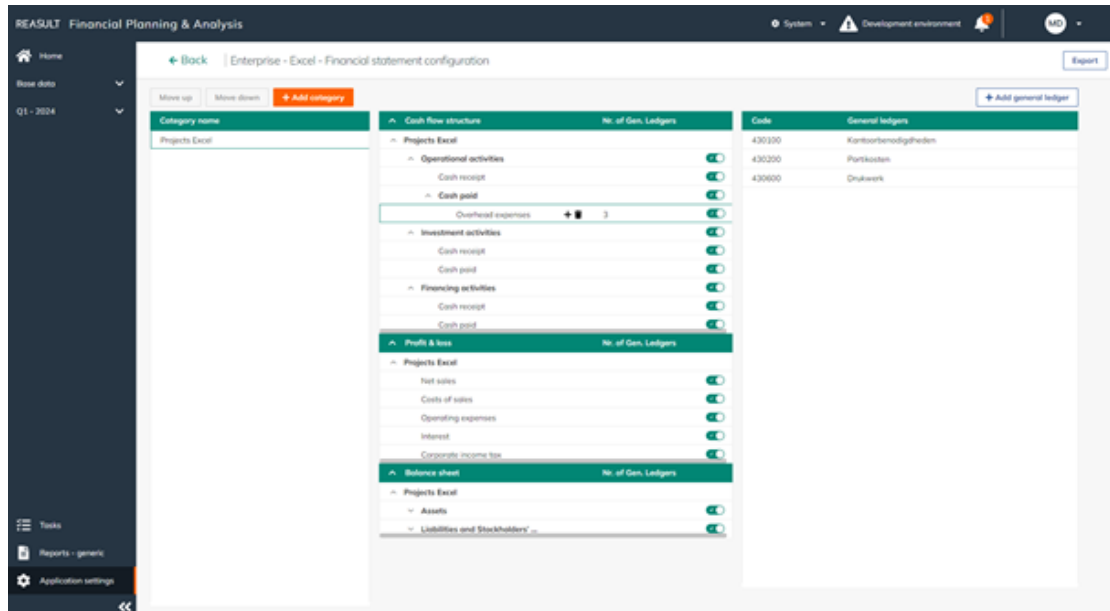
A General Ledger may be deleted by selecting the General Ledger and clicking on the recycle bin icon on the right.
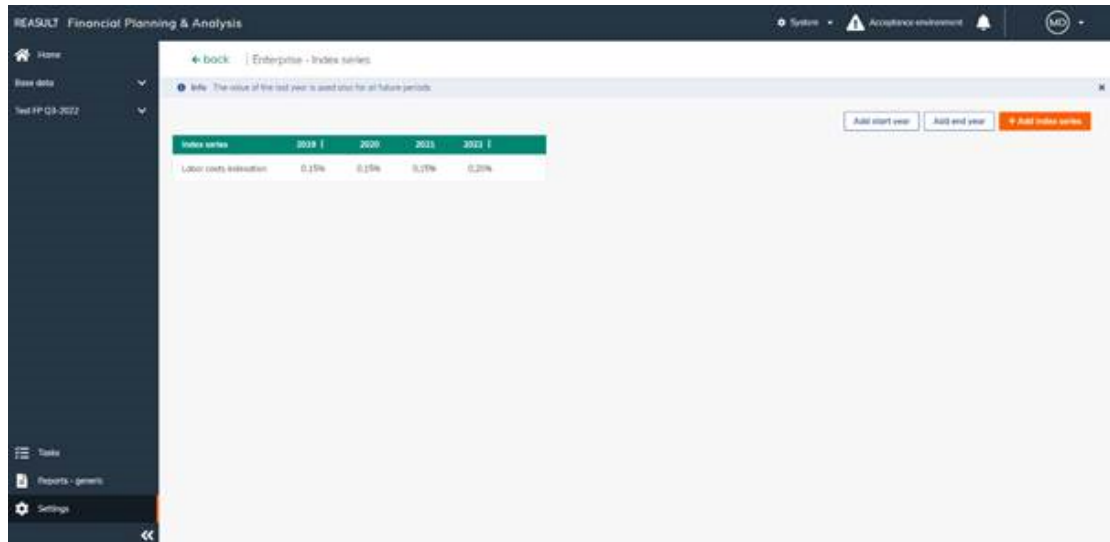
Index series (Enterprise)

The Global Administrator can define one or more Index Series that can be made available for every active entity in the Enterprise (see the following screenshot). The amounts in Cash Flow prognosis are calculated based on a/o index percentages.

To create an Index Series, click the button **Add Index Series**. A row is added to the grid after which the series can be given a name. Next, index percentages can be added per year.

Add a new start year or end year where needed using the respective buttons. A start- or end year can be removed by clicking on the three dots next to the start- or end year header and choose Delete Year. An Index Series may be deleted by selecting the Index Series and clicking on the recycle bin icon on the right.

The index value of the last year is used for all future, undefined years.

Payment Schedules (Enterprise)

The Global Administrator can define one or more Payment Schedules that can be made available for every active entity in the Enterprise (see the following screenshot).

To create a new Payment Schedule, click the **Add Schedule** button. A slide-in appears in which the Payment Schedule can be given a name and optional description. Next, relative numbers can be added per month. Yearly payments are distributed over individual months according these relative numbers.

A Payment Schedule may be deleted by selecting the Payment Schedule and selecting the check box on the left and then click the **Delete** button.

VAT Categories (Enterprise)

The Global Administrator defines VAT Categories and related percentages. Future year percentages can be added based on own insights (see the following screenshot).

To create a VAT Category, click the **Add Category** button. A row is added to the grid after which the schedule can be given a name and description. Next, VAT percentages can be added per year. Add a new start year or end year where needed using the respective buttons.

A year can be removed by clicking on the three dots next to the year header and choose Delete Year.

The VAT percentage of the last year is used for all future, undefined years.

The amounts in Cash Flow prognosis are calculated based on a/o the VAT percentages.

A VAT Category may be deleted by selecting the VAT Category and clicking on the recycle bin icon on the right.

Corporate Income Tax (Enterprise)

The Global Administrator defines Taxable income brackets and related tax rates. Future year percentages can be added based on own insights (see the following screenshot).

To create a tax bracket, click the **Add Corporate Tax** button. A row is added to the grid after which taxable income bracket and tax rate can be entered. Next, Tax rates can be added per year. Add a new start year or end year where needed using the respective buttons. A start- or end year can be removed by clicking on the three dots next to the start- or end year header and choose Delete Year. You can delete an Income Tax line by selecting the Income Tax line and clicking the **Recycle bin** icon on the right.

The tax rates of the last year are used for all future, undefined years.

Revenue & Cost Recognition (Enterprise)

The following section only applies if Reaforce is used as the source system.

Using the template in Revenue & Cost Recognition, the translation from Cash Flow to Profit & Loss and Balance Sheet is defined (see the following screenshot).
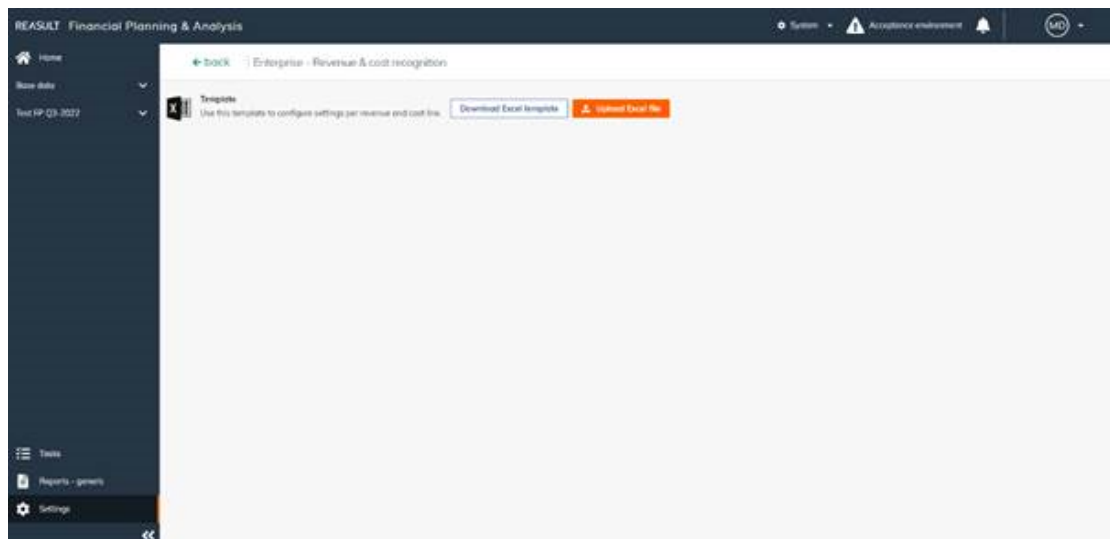
Revenue and cost recognition settings can be entered at three levels: at Enterprise level, at Entity level and at Project level. Enterprise-level settings are overridden by Entity-level settings. Entity-level settings are in turn overridden by settings on the Project. After downloading and defining the data in the template, the file can be loaded into the application using the **Upload** button.

	A	B	C	D
1	**Percentage of Completion Group**	**Percentage of Completion Method**	**Capitalized**	**Start Moment Capitalization**
2	Land	Based on sales - sales planning	Yes	Start Project
3	Construction	Based on completed contracts	Yes	Start Development
4	Other	Based on sales - cashflow planning	No	
5	Default Group - 3	Based on costs	No	
6	Default Group - 4	Based on costs	No	
7	Default Group - 5	Based on costs	No	
8	Default Group - 6	Based on costs	No	
9	Default Group - 7	Based on costs	No	
10	Default Group - 8	Based on costs	No	
11	Default Group - 9	Based on costs	No	
12	Default Group - 10	Based on costs	No	

Within the Configuration worksheet (see the previous screenshot), groups can be defined in column **A**. In column **B**, a Percentage of Completion method can be assigned to each group (see the following explanation), whereby the Revenues from Reaforce are recognized as turnover in the Profit & Loss account. It is also possible to indicate per group whether and from what moment on costs should be activated (columns **C** and **D**).

If costs are not activated, then the costs will always be processed in the Profit & Loss account in accordance with the cash flow of the costs of Reaforce .

There are four methods of Revenue & Cost Recognition possible, namely:

1. **Based on costs**

    For this method, the costs in the cash flow from Reaforce are leading. The turnover in the Profit & Loss account follows the costs from the cash flow. If there are <u>no</u> costs in the group, the revenues in the cash flow from Reaforce will appear as turnover in the Profit & Loss account.

2. **Based on sales planning**

    In this method, the sales planning from Reaforce is leading. The revenues in the cash flow from Reaforce will appear as turnover in the Profit & Loss account in proportion to the sales planning.

3. **Based on completed contracts**

    Completion of the construction phase from Reforce is leading. At the time of construction completion, the revenues in the cash flow from Reaforce will appear as turnover in the Profit & Loss account <u>for all sold units.</u>

> For all units still unsold, the revenues in the cash flow will appear as turnover in the Profit & Loss account when these units are sold.

4. **Based on sales – Cash flow planning**

At group level, the total revenues in the cash flow from Reaforce are leading. The revenues per cash flow line are processed as turnover in the Profit & Loss account in accordance with the percentage share of the total revenues.

The following table indicates which methods of revenue and cost recognition can be selected for each Reaforce project type.

	Method of Revenue and cost recognition based on			
Project type	**Costs**	**Sales planning**	**Completed contracts**	**Revenues**
Building projects	√	√	√	√
Land projects	√	n.a.	n.a.	√
Construction projects	√	n.a.	n.a.	√

The **Activated** column determines whether expenses are recognized as costs in the Profit & Loss account. If **Activated** is set to **Yes**, costs will be activated from the defined start date. The costs are therefore recognized in the balance sheet as work in progress.

Work in progress will be released in proportion to the increase in turnover.

	A	B	C	D	E
1	Cost And Revenue Structure	Customer Code	System Code	Percentage of Completion Group	Provision for WIP
68	Architect	_13_01_00	_13_01_00	Building project	Yes
69	Constructor	_13_02_00	_13_02_00	Building project	Yes
70	Installation consultant	_13_03_00	_13_03_00	Building project	Yes
71	Construction costs consultant	_13_04_00	_13_04_00	Building project	Yes
72	Project management	_13_05_00	_13_05_00	Building project	Yes
73	Management	_13_06_00	_13_06_00	Building project	Yes
74	Supervision	_13_07_00	_13_07_00	Building project	Yes
75	Miscellaneous consultants	_13_08_00	_13_08_00	Building project	Yes
76	Charges, levies and insurance	_13_09_00	_13_09_00	Building project	No
77	Connection charges	_13_10_00	_13_10_00	Building project	No

Within the Method Selection worksheet, the financial structure is shown in columns **A**, **B** and **C** (see the previous screenshot). This data originates from Reaforce as the source system. At the time of download, the list will be updated from the source. This refreshes the columns **A** to **C**.

WARNING:

It is therefore always advisable to update the list when creating the Financial Plan. If the code is missing in the Excel, it will be added. If the code in Excel no longer exists in Reaforce , this code will simply remain in the list.

Using column **D**, the link is made between the cash flow line and the group. This groups the individual cash flow lines of the source for Revenue & Cost Recognition. In case a cash flow line is not linked to a group, it will be shown in the Profit & Loss account in accordance with the cash flow.

In column **E**, it can be recorded for each cash flow line whether a provision must be made for capitalized costs.

If a provision is made for certain cash flow lines, then the capitalized costs of these cash flow lines (which are visible in the balance sheet under Assets - Work in Progress) are still recognized as costs in the Profit and Loss account until the start date of construction.

The provision for Work In Progress is released in its entirety on the start date of construction.

After the template has been set up, it can be uploaded to make the settings active. Depending on the level at which the template is uploaded (Enterprise / Entity / Project), it will be applied within the open and new plans.

Definition of General Ledgers

If you want to import Actuals, the Global Administrator enters a list of general ledgers in this table, in accordance with the list of general ledgers as set up in the administrative system.

To add a general ledger, click the **Add general ledger** button. A row is added after which the code and description of the general ledger can be entered.

A general ledger may be deleted by selecting the general ledger and selecting the check box on the left and then click the **Delete** button.

This is only possible if the general ledger has not (yet) been linked in the structure of the Financial Statement.

A general ledger schedule can also be imported. To do this, click the **Export** button. General ledger codes and descriptions can be added to the generated Excel file, after which this file can be imported.

The general ledgers must then be linked in the Structure of the Financial Statement (see Import of Actuals via Excel) after which an import of Actuals is possible (See Import of Actuals via Excel).

Financial rules

The Global Administrator defines Financial rules.

A Financial rule describes a condition that must be met at Entity level in a certain period.

If the condition is not met in this period, a transaction will automatically be executed at Entity level in RE Finance , resulting in the condition being met again afterwards.

Please note!

In RE Finance 5.0, only Financial rules for Cash and Cash equivalents can be entered for the time being.

The transaction that is executed if the condition is not met is equal to a manual internal share capital transaction D from the parent (see paragraph Dividend / Share Capital for the description of the manual transaction).

The result is therefore:

1. In mother company: Investment in subsidiary
2. In subsidiary: Share capital from parent

To add a new Financial rule, click the **Add Financial rule** button. A slide-in will appear in which the name of the Financial rule can be entered. Then click the **Add Threshold & duration** button in the slide-in. A line will appear in which the calculation basis is first selected. Then, for a specific period, it is entered whether the calculation basis should be greater than or equal to or less than or equal to the threshold value to be entered. This entry is confirmed with the Enter key.

If desired, a different condition can be specified for a different period for each Financial rule. To do this, click the **Add Threshold & Term** button again and fill in the new line.

Then select the Entity(ies) for which this Financial rule should apply and close with the **Save** button.

The Financial rule is added with Status Inactive. If the Status is set to Active, by means of the button ⊙, all open financial plans are automatically recalculated with this Financial rule.
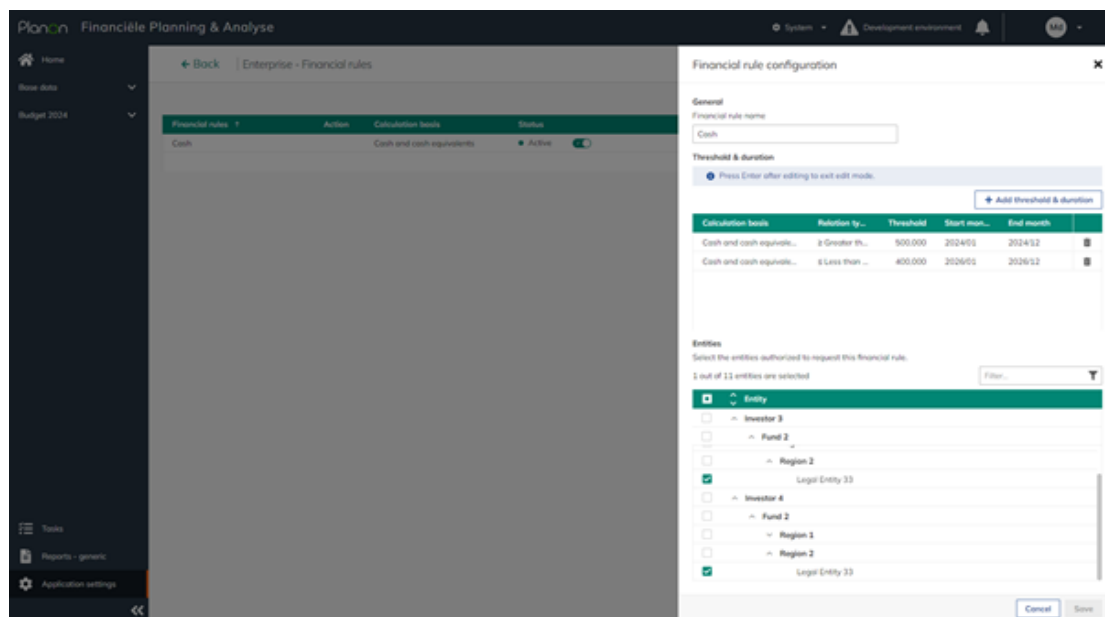
A Financial rule can be adjusted.

To do this, click the button ▦ in the Financial rule line in the **Action** column and select Configure Financial rule, after which the slide-in will be reopened. After adjusting the Financial rule, all open financial plans will be automatically recalculated.

A Financial rule can be deleted.

To do this, click the button ⋯ in the line of the Financial rule in the **Action** column and select Delete. After deleting the Financial rule, all open financial plans will be automatically recalculated.
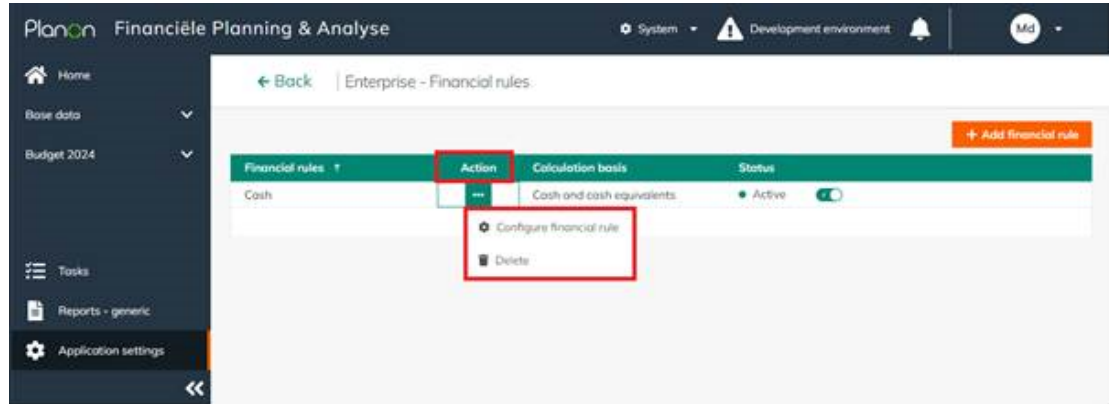
Entity level setup

Next to the settings for the Enterprise as a whole (by the Global Administrator), various data can be added for a specific Entity.

The Administrator for the given Entity, also called the Local Administrator, takes care of these settings. This Chapter describes the possibilities for the Local Administrator to add the settings per Entity.

To do this, go to Application Settings in the navigation panel and then choose the Entity-level settings (see the following screenshot).
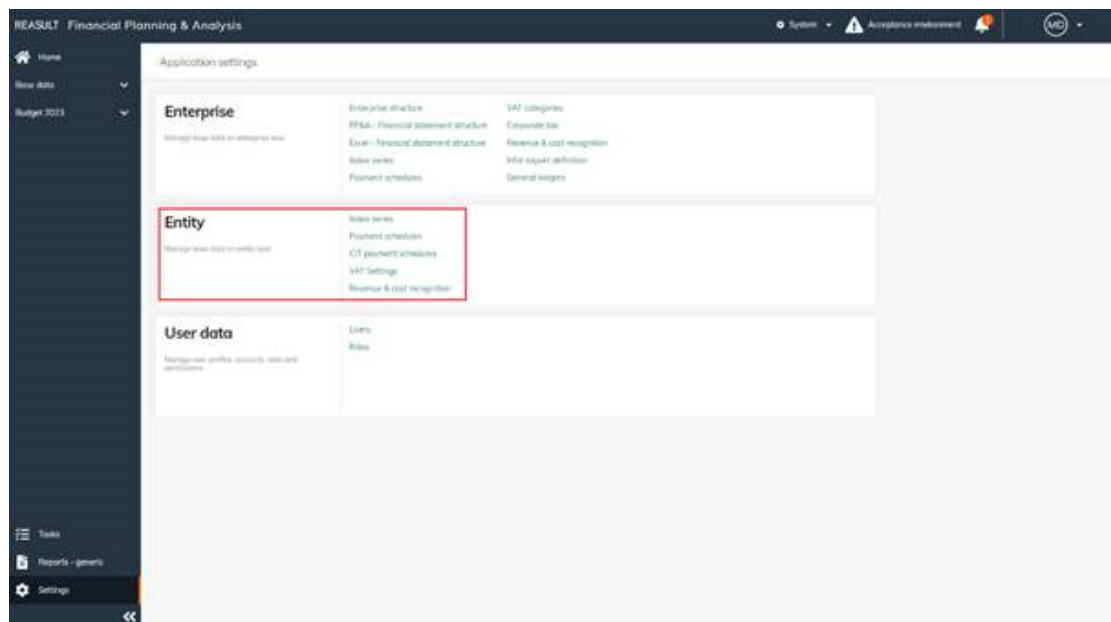
Index Series (Entity)

In addition to Index Series for the whole Enterprise, the (Local) Administrator can define one or more Index Series that can only be used by the given Entity.

For doing so, the (Local) Administrator navigates to the screen Index Series on Entity level and selects the appropriate Entity (see the following screenshot). The amounts in Cash Flow prognosis are calculated based on a/o index percentages.

To create an Index Series, click the button **Add Index Series**. A row is added to the grid after which the series can be given a name. Next, index percentages can be added per year. Add a new start year or end year where needed using the respective buttons.

A start- or end year can be removed by clicking on the three dots next to the start- or end year header and choose Delete Year. An Index Series may be deleted by selecting the Index Series and clicking on the recycle bin icon on the right.

The index value of the last year is used for all future, undefined years.

Payment Schedules (Entity)

In addition to Payment Schedules for the whole Enterprise, the (Local) Administrator can define one or more Payment Schedules that can only be used by the given Entity.

For doing so, the (Local) Administrator navigates to the screen Payment Schedules on entity level and selects the appropriate Entity (see the following screenshot).

To create a new Payment Schedule, click the button **Add Schedule**. A slide-in appears in which the Payment schedule can be given a name and optional description. Next, relative numbers can be added per month. Yearly payments are distributed over individual months according these relative numbers.

A Payment Schedule may be deleted by selecting the Payment Schedule and selecting the check box on the left and then click the **Delete** button.
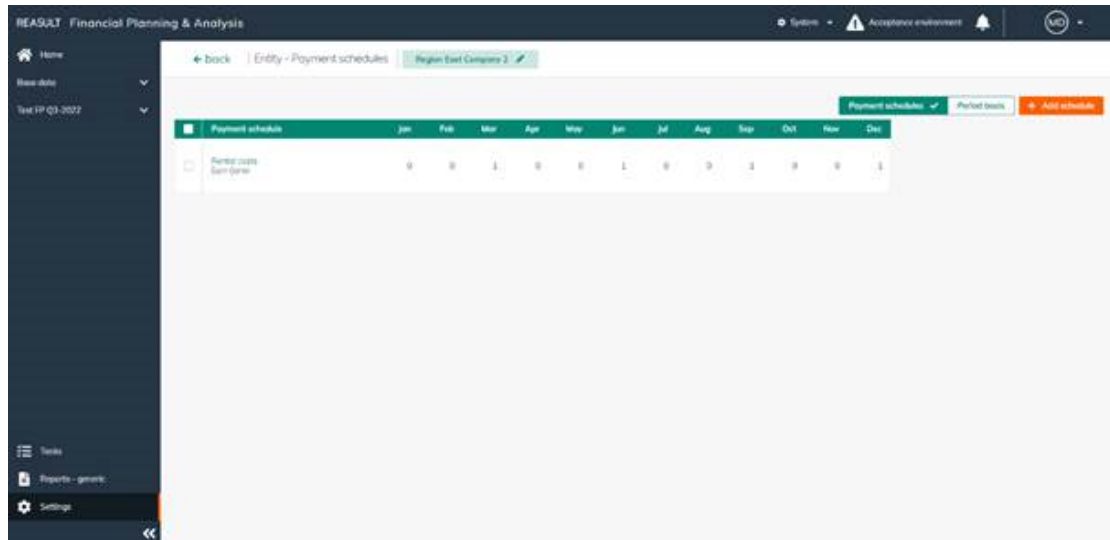
VAT Settings (Entity)

The Local Administrator can determine the VAT Settings per Entity.

For doing so, the Local Administrator navigates to the screen Payment Schedules on entity level (see the following screenshot) and selects the appropriate entity.

The Local Administrator indicates if VAT declarations are executed by month, quarter, or year. The Local Administrator can also specify whether he/she expects to receive a VAT-claim in the period plus one month or period plus two months.
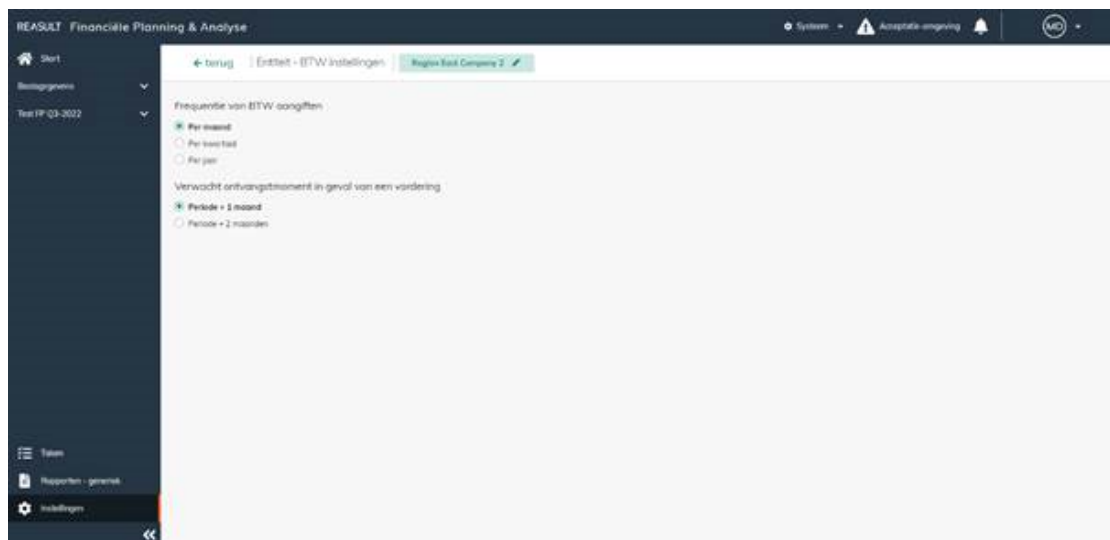
The amounts in Cash Flow prognosis are calculated based on a/o these VAT settings.

CIT payment schedules (Entity)

The Administrator can determine the Corporate Income Tax payment schedules per Entity.

For doing so, the Administrator navigates to the screen CIT Payment Schedules on entity level (see the following screenshot) and selects the appropriate entity.

Payment schedules can be entered for either current year or next year. Relative numbers can be added per month. Yearly payments will be distributed over individual months according to these relative numbers.

Revenue & Cost Recognition (Entity)

The following section only applies if Reaforce is used as the source system.

In addition to the Revenue & Cost Recognition accounts provided by the Global Administrator, the Local Administrator may also include those that are only usable by the entity (following screenshot).

Usage and operation is the same as the template described in the section on Enterprise Settings.
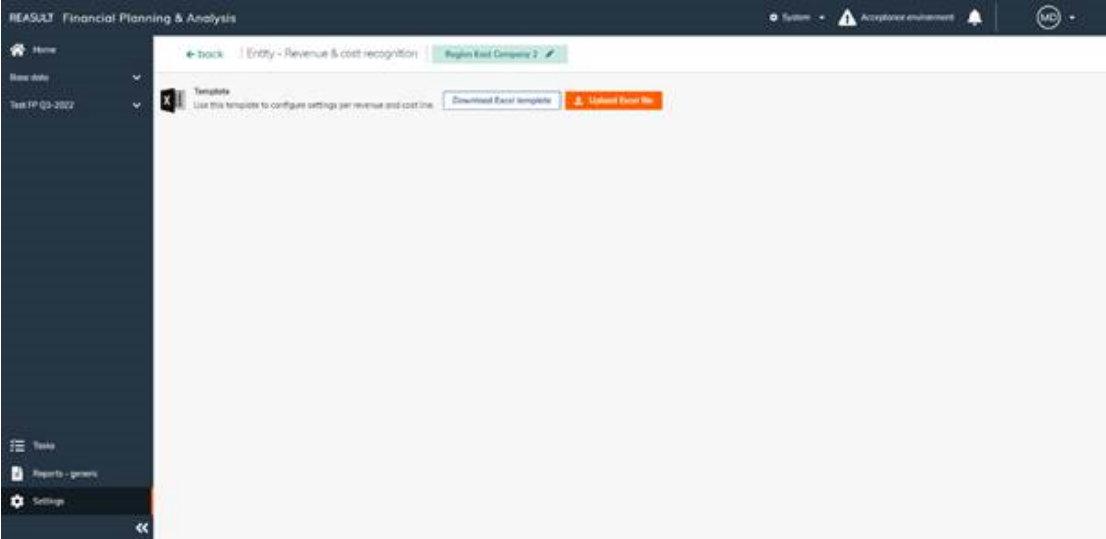
Create and edit Financial Plan

A Financial Plan is created by the Global Administrator for all entities within the company.

The Global Administrator subsequently fills in data settings per source system (Reaforce or RE Assets), which provides various editing options.

This chapter describes how to create, complete data settings, and edit a Financial Plan.

Create a Financial Plan

From the Home screen, the Global Administrator can create a new Financial Plan by clicking on the **Create Plan** button. A slide-in appears in which the Global Administrator defines:

- Name: this name is shown on all screens and reports.
- The start month and the end month.
- Home page notification: a notification to all users on the homepage related to this Financial Plan. Typically used for informing users about deadlines related to the plan.

A created Financial Plan has the Status Open.

A Financial Plan with the Status Open can be edited, copied, and deleted.

Complete data settings

When Reaforce is used as the source system, the link should be defined between the Financial Plan and the relevant Reaforce projects.

To do this, go to Source data – Reaforce in the navigation menu and click the **Settings** button at the top right of the screen.

In the slide-in, the Global Administrator selects then the appropriate publication categories and publications per project type (Land projects, Construction projects and/or Building projects).

Under the publication categories a choice can be made for:

- N/A: no Reaforce project for this project type will be made available for import.
- Period report or Phase Report: this is the publication category that will be made available for import for this project type, after which a specific publication will be selected from the picklist.

Note:

For construction projects there are no Phase reports available.
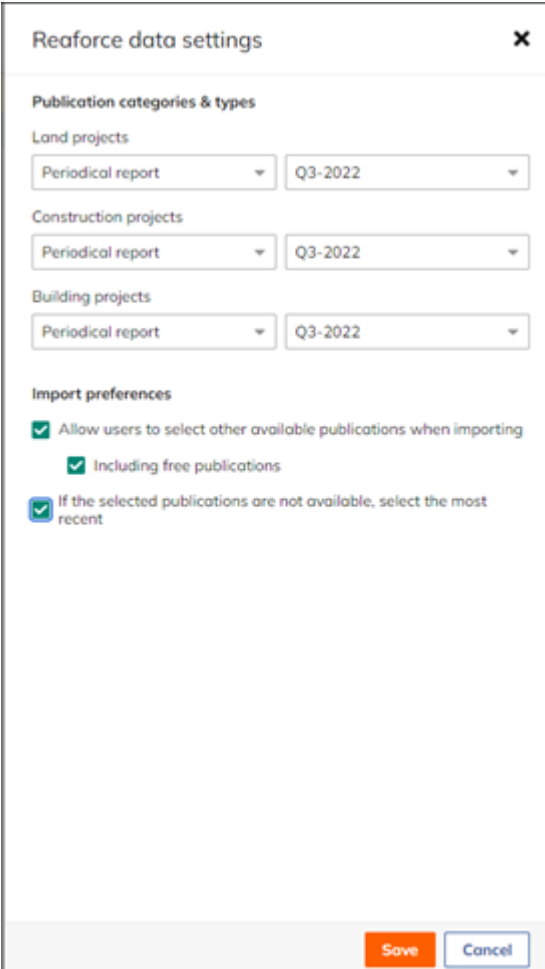
Under the import preferences, you can optionally select the following by selecting the check boxes:

- Allow users to select other publications when importing. Here, one can also decide to allow Free Publications or not.

When opted for this, users are allowed to choose an alternative category and/or publication when they are in the source data Reaforce screen.

- If the selected publications are not available, use the most recent.

When opted for this, the system automatically selects the most recent publication from the selected category if the pre-defined publication is not available.

When RE Assets is used as the source system, the link should be defined between the Financial Plan and the relevant RE Assets objects.

To do this, go to Source data – RE Assets in the navigation menu and click the **Settings**

button [⚙] at the top right of the screen.

In the slide-in, the Global Administrator selects then the appropriate year and publication.

Edit a Financial Plan

It is possible to edit a Financial Plan by clicking on the start screen on the three dots in the relevant line of the Financial Plan and then selecting Edit plan (see the following screenshot).

The editing is limited to changing the name, start and end date.

Copy a Financial Plan

It is possible to copy a Financial Plan by clicking on the start screen on the three dots behind the Status in the relevant line of the Financial Plan and then selecting Copy plan (see the following screenshot).

This makes an exact copy of the existing plan including imported projects, templates, manually entered amounts and workflow statuses.

Delete a Financial Plan

It is possible to delete a Financial Plan by clicking on the start screen on the three dots behind the Status in the relevant line of the Financial Plan and then selecting Delete plan (see the following screenshot).

This permanently deletes the existing plan including imported projects, templates, manually entered amounts and workflow statuses.

Base Data versus Financial Plan concepts

Financial transactions can be entered through the Base Data screens and through the Financial Plan screens.

If a financial transaction is listed under Base Data, the transaction is added to all open and future Financial Plans. If a transaction is entered for a Financial Plan, the transaction will only be added for this plan. The following example illustrates this in more detail.

In the following screenshot the incoming Loan A is added to the Base Data.

Since the Loan is added to the Base Data, the Loan is visible also in all open Financial Plans. As can be seen in the following screenshot, Loan A is visible in the current Financial Plan: Test FP Q3-2022.

It is possible to add to Financial Plan: Test FP Q3-2022 another incoming Loan, in this example Loan B. Loan B is specific for this Financial Plan and will not be included in any other open or future plan.

The **Level** column indicates whether the transaction is on Base level or Financial Plan level.

Using the button **Go to Base Data** it is possible to easily switch to the Base Data screen from the Financial Plan. Similarly, navigating back from the Base Data screen to the Financial Plan is possible by clicking 'Back to Financial Plan'.

The Base Data versus Financial Plan concept, explained in the previous example, also applies to General Expenses, Loans incoming and outgoing, Dividend and Share Capital Transactions.

The next Chapter describes adding various types of transactions to a Financial Plan. Adding these types of transactions to Base Data instead works in a similar way.

Financial Plan definition per Entity

For defining the Financial Plan of an Entity, the Financial Controller first selects the appropriate Financial Plan on the homepage.

Next, the Financial Controller selects the correct Entity by clicking on the name of the currently selected Entity on the screen (see the following screenshot).
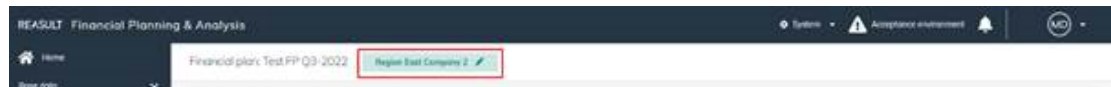
A popup window shows the Enterprise structure and allows for searching and selecting the appropriate Entity (see the following screenshot). By entering (parts of) the name of the Entity in the search box or by expanding the Enterprise Structure the Entity can be found.

After selecting the Financial Plan and relevant Entity, the Financial Plan can be composed by running through and filling relevant data in the various sections in the navigation panel. The flow of entering data in these screens is depicted in the next sections.

Financial Plan

The first screen (dashboard) shows two type of graphs in relation to the Financial Plan (see the following screenshot). A choice can be made between 'Cash flow' and 'Positions'.

Cash flow

In viewing Cash flow for the selected Entity, a graph is shown (see the following screenshot). This graph shows amounts and cash flow for a given period, in accordance with the cash flow statement. Operational Activities, Investment Activities, Financing Activities, and totals can be selected as depicted categories. You can also choose a display of only cash received or cash paid or both. The view is zoomable to month, quarter, and year level.
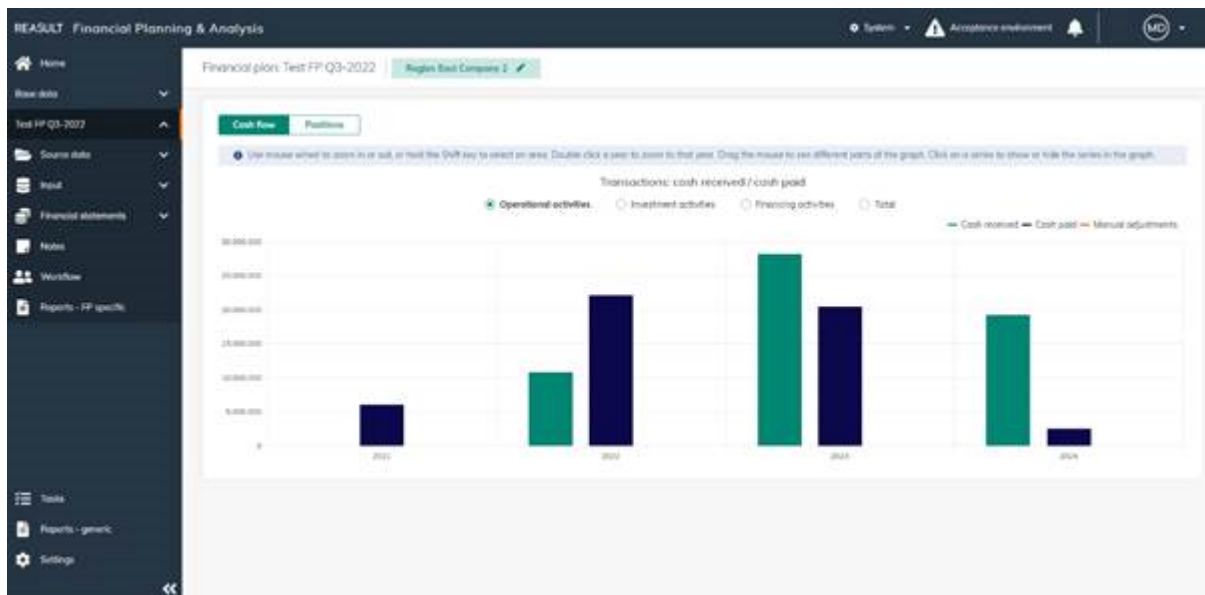
Positions

In viewing Positions for the selected Entity, the liquidity ending balance and/or net debt are depicted (see the following screenshot). Again, the view is zoomable to month, quarter, and year level. It is possible in the dropdown to select another Financial Plan, to make a comparison with the current plan; in the following screenshot this is Test Plan Q2-2022.
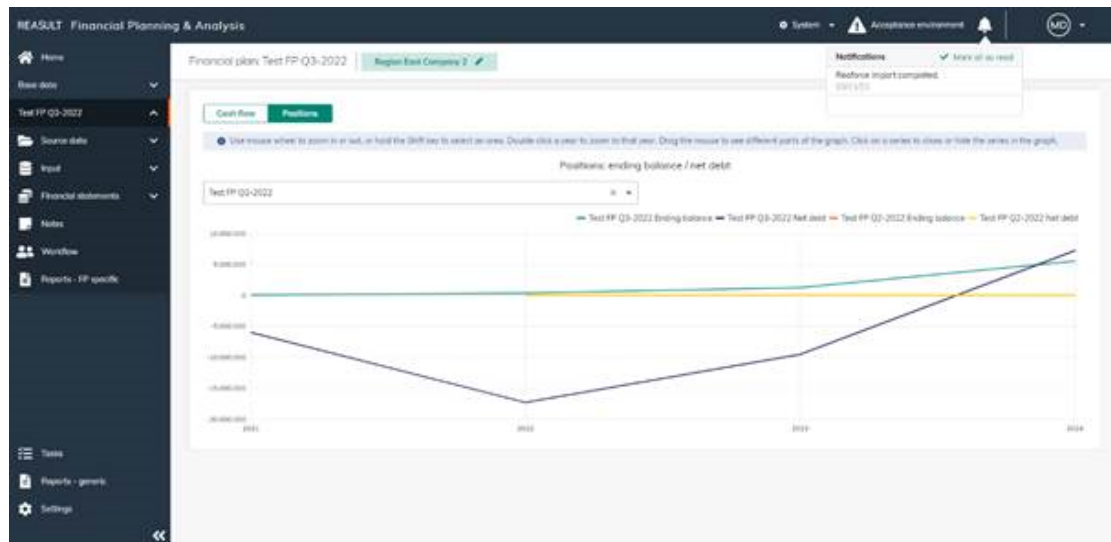
Source Data

Reaforce or RE Assets can be used as source systems to import projects or objects into RE Finance .

The following data can also be imported from Excel:

- (Project) forecast (for example projects/objects which are not entered in Reaforce or RE Assets or a forecast of General costs)
- Actuals

Import Reaforce projects or RE Assets objects

Entity mapping describes how to connect Reaforce projects and RE Assets objects to RE Finance .

After the creation and setup of the Financial Plan by the Global Administrator, the Financial Controller

can import Reaforce (building-, land- and construction) projects or RE Assets objects by selecting in the navigation panel Source Data - Reaforce (see the following screenshot) or Source Data – RE Assets .

Example - Screen: Financial Plan – Source Data Reaforce

Per project/object, a status indicates the relation between an RE Finance Entity and a Reaforce or RE Assets publication. Possible statuses are listed in the following screenshots.

This column indicates if a publication has been imported or whether a publication is available for import. The following statuses apply:

- ✅ Imported = A publication has been imported for this project
- ✅ Imported = A publication has been imported for this project, but for another publication period
- ◯ Available = A publication is available for import for this project
- ◯ Available = A publication is available for import for this project, but for another publication period
- ➖ No publication = No Publication available or imported

Example – Statuses relevant for importing Reaforce projects

- ◯ Available = A publication is available for import for this project
- ✅ Imported = A publication has been imported for this project
- ✅ Update available = imported before but now a property update is available
- ➖ Disconnected = imported before, however property is not available anymore in Reaturn AM

Example – Statuses relevant for importing RE Assets objects

The Financial Controller can see which publications are available for import. By selecting these publication and clicking the **Import** button, the publications are imported and processed in the Financial Plan.

It is also possible to remove imported publications from the Financial Plan, by selecting the check box per project for these publication(s) and click the **Delete** button.

For Reaforce projects, the following also applies:

Then, based on the applied revenue and cost recognition, the "translation" from Cash Flow to Profit & Loss account and Balance sheet is carried out (see Revenue & Cost Recognition (Entity)).

Depending on the import preferences set, the user can choose an alternative publication.

If, after importing a certain publication type (for example Periodical report Q1-2024), an update of this same publication type is available, this will be indicated on the screen with

the icon ⚠️. The RE Finance user then needs to decide whether to replace the existing import with this update.

Import (project) forecasts via Excel

Importing forecasts by Excel files is possible for the cash flow statement, the profit and loss account and the balance sheet.

This allows projects (which are not in Reaforce) or objects (which are not in RE Assets) to be loaded per Entity. Forecasts for non-project related costs (e.g., General Costs at Entity level) and adjustments can also be imported.

WARNING:

Before being able to import Excel files, the Excel Structure of the Financial Statement needs to be predefined (see Financial Statement Configuration: Excel Structure).

For importing forecasts from Excel, the Financial Controller selects in the navigation panel Source Data – Excel forecast (see the following screenshot) after which the following steps are followed:

Step 1. Creating an Excel template

Click the button **Download Excel template**. The resulting Excel file can be stored locally for entering project data. The structure of the Excel file is predefined. Therefore, separate Tabs have been created for cash flow, profit and loss and balance sheet.

Step 2. Modifying the Excel file

The downloaded Excel file is ready for filling with data of one or more projects (see the following screenshot). The following information needs to be entered on every Tab:

- The name of the Financial Plan. This is automatically added in when generating the Excel template.

- The name of the entity. This is automatically added when generating the Excel template.

- You need to fill in per Excel Project, per cash flow line:
  ○ The project name
  ○ The project owner
  ○ The start position
  ○ The amounts per month

You must not change the structure of the Excel file. This will lead to errors when importing the Excel file in RE Finance at a later stage. It is possible though to copy rows to create cash flow lines according the same structure for other Excel projects. See the Project 2 lines in the previous screenshot, which are copied from the Project 1 lines.

Step 3. Importing the Excel file

By clicking **Import Excel file** a pop-up will show up. Click **Browse** to search your local storage for the correct modified file, click **Import** to execute the import action. A validity check is executed on the background regarding the data in the Excel file. In case of validation errors, these errors will be visualized to the extent possible. This error list can be exported to Excel if desired.

In case of errors, the file is not imported. Modify the Excel data and attempt to reload the data into RE Finance . A notification is generated when the Excel import is completed successfully (see the following screenshot).

After loading and validating the Excel data, the data is processed in RE Finance . Existing Excel Projects data in RE Finance is deleted and overwritten, for all newly imported Excel Projects. An overview is shown of successfully imported data. The imported Excel cash flow data, profit and loss data and balance sheet data is also visible in the Financial Statements under the relevant Excel category.

Lastly, it is possible to remove imported Excel data. Choose Delete selected Projects to remove data for all Excel projects that are selected in RE Finance .

Import of Actuals via Excel

Actuals can be uploaded via Excel per General Ledger.

If Actuals are imported, the Actuals will overwrite the forecast up to and including the import date.

This creates a multi-year Financial Plan, composed of a combination of Actuals (past) and forecast (future).

This means:

1. If General Ledgers are linked in the General Structure of the Financial Statement, differences between Forecast and Actuals will be reversed in the next period after the import date.

   This ensures that the total forecast (consisting of Actuals + rest forecast) of Reaforce projects and RE Assets projects remains the same throughout the entire project duration.

2. If General Ledgers are linked in the Excel Structure of the Financial Statement, then differences between Forecast and Actuals will not be reversed in the next period after the import date.

Calculation example for situation under 1:

The calculation following example shows that the total imported Cash Flow Forecast is 200.

In periods 1 to 6 this is a total amount of -/- 430

In periods 7 to 12 this is a total amount of 630

Actuals are then imported in period 1 to 6 for a total amount of -/- 445

The difference between the Forecast and Actuals in periods 1 to 6 for a total amount of 15 is corrected in period 7.

As a result, the Forecast amount in period 7 is adjusted from 40 up to 25, so that the total Forecast of 200 is maintained.

| | | Actuals import | | | | | | | | End of construction | | | | |
| | | Start of project | | | | | | | | | | | | |
Reaforce projects/Reaturn AM objects	Period	1	2	3	4	5	6	7	8	9	10	11	12	Total
Total forecast (after Reaforce or Reaturn AM import)		-100	-50	-80	-60	-50	-90	-40	-60	-70	980	-100	-80	200
Actuals import up and until period 6 and rest forecast without correction in per 7.		-100	-50	-90	-60	-55	-90	-40	-60	-70	980	-100	-80	185
Actuals import up and until period 6 and rest forecast with correction in per 7.		-100	-50	-90	-60	-55	-90	-25	-60	-70	980	-100	-80	200

WARNING:

Before being able to import Actuals, the Structure of the Financial Statement needs to be defined by linking the General Ledgers (see Linking General Ledgers in the Financial Statement).

For importing Actuals, the Financial Controller selects in the navigation panel Source Data – Excel actuals (see the following screenshot) after which the following steps are followed:

Step 1. Creating an Excel template

Click the button **Download Excel template**. The resulting Excel file can be stored locally for entering data later.

Step 2. Modifying the Excel file

The downloaded Excel file is ready for filling with Actuals on Entity level (see the following screenshot).

Actuals for multiple Entities can be imported via 1 Excel template.

The following information needs to be entered:

- The name of the Financial Plan. This is automatically added in when generating the Excel template.

- Name: fill in a name (e.g., Actuals). This name is shown in the Financial Statements

- Assume when not provided: **Yes** or **No**.

  ◦ If **Yes**, when a General Ledger in the importing Entity has no mutations at all for the importing periods, then 0 is imported.

- If **No**, when a General Ledger in the importing Entity has no mutations at all for the importing periods, then the forecasted amounts will be maintained for these periods.
- The date until which Actuals should be imported in the Financial Plan
- Then per line:
  - Entity code
  - General Ledger code
  - Date
  - Amount

Example - of An Excel actuals import file

Step 3. Importing the Excel file

By clicking Import Excel file a pop-up will show up. Click **Browse** to search your local storage for the correct modified file, click **Import** to execute the import action. A validity check is executed on the background regarding the data in the Excel file. In case of validation errors, these errors will be visualized to the extent possible. This error list can be exported to Excel if desired.

In case of errors, the file is not imported. Modify the Excel data and attempt to reload the data into RE Finance . A notification is generated when the Excel import is completed successfully (see the following screenshot).
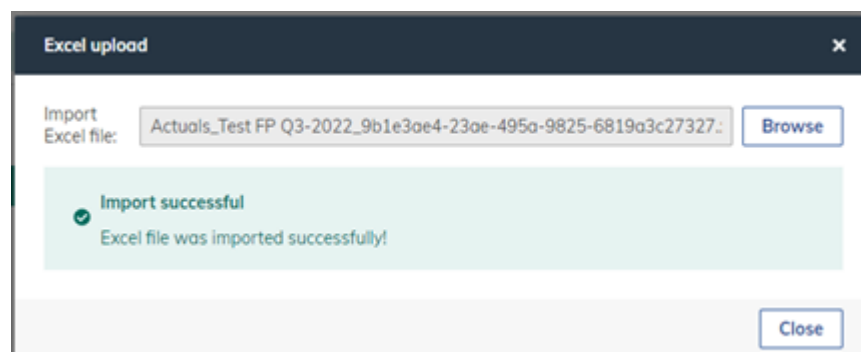
After loading and validating the Excel data, the data is processed in RE Finance . Existing Actuals are deleted and overwritten with new Actuals when these Entities are presented again in a new Excel import. An overview is shown of successfully imported Actuals.
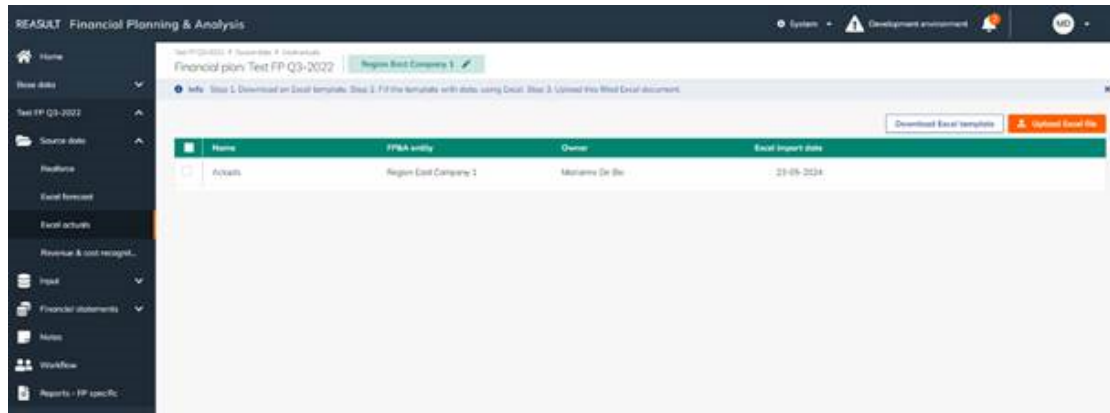
The imported Excel cash flow data, profit and loss data and balance sheet data is also visible in the Financial Statements under the Excel Actuals header (see Financial Statements).

Lastly, it is possible to remove an imported Excel Actuals file within the Entity. Select the relevant Actuals file and click the **Delete** button.

Revenue & Cost Recognition

The following section only applies if Reaforce is used as the source system.

Within the Financial Plan, it is possible by the Financial Controller to deviate at Project level from the Revenue & Cost Recognition that has been defined at higher level (Enterprise or Entity).

Operation is the same as the template described in the section on Enterprise Base data (see Revenue & Cost Recognition (Enterprise))

At the level of the Entity, the templates used become visible. The column **Project configuration** indicates at which level (company, entity, or project) the template is active (see the following screenshot).
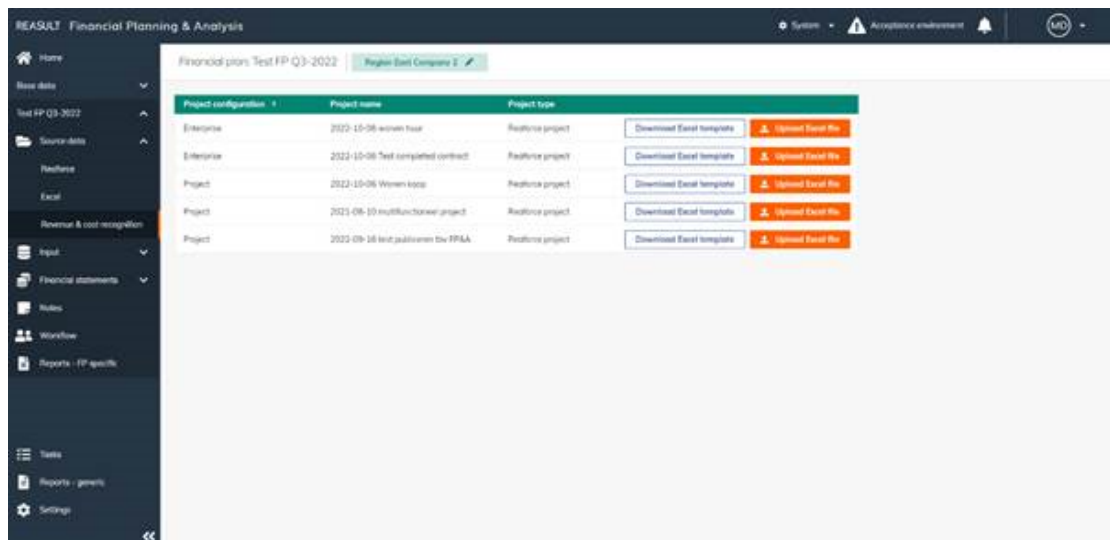
> ⚠️ By Uploading, the revenue and cost recognition will be applied for the selected project.

Opening Balance Liquidity

Within the Financial Plan, the Financial Controller can enter the Opening Balance Liquidity per Entity (see the following screenshot).

In this screen, the Opening Balance / bank balance of the Entity per start date of the Financial Plan needs to be entered.

To do this, go to Input – Opening Balance Liquidity in the navigation panel.

Manually entering the opening balance is not necessary if the opening balance is uploaded via Excel. Reasult will then disable this functionality in the customer settings in the database.
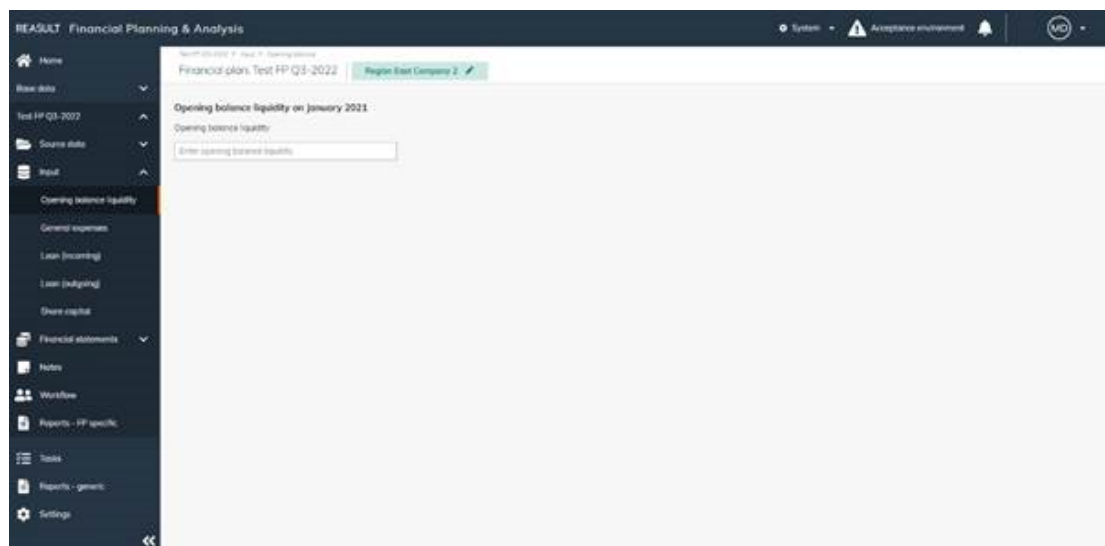
General Expenses

Within the Financial Plan, the Financial Controller can enter General Expenses per Entity in accordance with the cash flow structure (see Financial Statement Configuration: General Structure).

To do this, go to Input – General Expenses in the navigation panel.

General Expenses input takes two steps:

Step 1. Definition of the General Expenses

Click **Add General Expense**. A slide-in appears, in which the Financial Controller fills fields characterizing the General Expense (see the following screenshot):

- General Expense Name

- Selection of the right General Expense category

- The amount (positive or negative) and whether the amount is per month, quarter, or year.

  If the source system is RE Assets , a percentage can also be entered.

- Whether the amount in- or excludes VAT, or that VAT is not applicable (in the VAT field)

- The VAT tariff (if applicable, in the field VAT category)

  See VAT Categories (Enterprise) for the definition of these categories

- Start Month and End Month (default Months are Start Month and End Month of the Financial Plan)

- Whether VAT is deductible or not (in the field Tax)

- Which Index Series is applicableSee Index series (Enterprise) and Index Series (Entity) for the definition of these series.

The start month and end month of the General Expense period may deviate from the start date and the end date of the Financial Plan.

By entering an amount and using Indexation and Payment Schedules the system will calculate cash flow amounts per month.

Step 2. Payment Schedules for General Expenses

The user indicates which Payment Schedule to use for the General Expense (see the following screenshot).

It is possible to choose for an existing Payment Schedule on Enterprise level (see Payment Schedules (Enterprise)) or for a Payment Schedule on Entity level (see Payment Schedules (Entity)).

It is also possible to enter a custom Payment Schedule for the General Expense. Choose Custom Schedule in the slide-in. Enter the Payment Schedule details as similar to the definition of a standard Payment Schedule in the previous sections.

After creating a General Expense, a new line appears showing the General Expense details.

The system calculates the amounts per month based on the defined characteristics of the General Expense. Further details of a General Expense are shown at the bottom of the screen by clicking on the General Expense line in the **Name** column (see the following screenshot).

An infinite number of General Expense lines can be added to a Financial Plan.

The General Expense lines can be edited by clicking on the line in the **Name** column which reopens the slide-in.

The General Expense lines can be deleted by selecting the check box at the beginning of the relevant line and then click the **Delete** button.

Loan (incoming and outgoing)

Within the Financial Plan, the Financial Controller can enter loans (incoming and outgoing) per Entity.

Incoming Loans means the Entity has a Loan where money is borrowed from another Entity. Outgoing Loans means the Entity has a Loan where money is lent to another Entity.

To do this, go to Input – Loan (incoming) or Loan (outgoing) in the navigation panel.

Since the definition of incoming and outgoing Loans is identical they are described together, using an outgoing Loan as an example.

By clicking on Add Loan, a new Loan is added. A slide-in appears in which the following Loan characteristics are added:

- Name of the Loan

- Start Month and End Month of the Loan

- The Loan amount

- The Payment Frequency of the principle (year, quarter, month, or period end)

- The Interest Rate percentage

- The Interest Payment Frequency (year, quarter, month, or period end).

After creating a Loan, a new line appears showing the Loan's details. The system calculates the amounts per month based on the defined characteristics of the Loan.

Further details of a Loan are shown at the bottom of the screen by clicking on the Loan line in the **Name** column (see the previous screenshot).

An infinite number of Loans can be added to a Financial Plan.

The Loan lines can be edited by clicking on the line in the **Name** column which reopens the slide-in.

The Loan lines can be deleted by selecting the check box at the beginning of the relevant line and then click the **Delete** button.

Dividend / Share Capital

Within the Financial Plan, the Financial Controller can enter Dividend or Share Capital transactions from a parent or subsidiary perspective. There are four transaction types that a Financial Controller can choose from (see the following screenshot):

1. A Dividend payment from this entity to a parent entity
2. A Share Capital injection from a parent entity to this entity
3. A Dividend receipt from a subsidiary to this entity
4. An investment from this entity into a subsidiary

To do this, go to **Input – Share Capital** in the navigation panel.

A new transaction is created by clicking the **Add transaction** button. A slide-in appears in which the desired transaction type is selected, and the following fields are filled in:

- Transaction name
- Amount
- Period (month) in which the transaction takes place

For transaction types:

- A. Dividend payment to parent
- D. Investment in subsidiary

you can opt for an internal or external Counterpart Entity.

If you select Internal, the transaction is automatically processed at the Counterpart Entity as well. To do this, select the correct Entity from the drop-down list.

If you select External, the transaction will only be processed in the Entity itself. Free text can be added to this.

For transaction type:

- A. Dividend payment to mother

you can, in addition to a one-time payment, also choose to apply a Dividend Schedule by selecting the check box (see the following screenshot).

In the Dividend Schedule it can be determined per month of the calendar year what percentage of the distributable profit must be paid as Dividend and over which period. The Dividend payment is then automatically calculated by the system and plotted in the Financial Plan.

After the Dividend Payment has been created, it will appear in a new line on the screen. Further details of the Dividend payment to parent are shown at the bottom of the screen

by clicking on the Dividend payment line in the **Name** column. In that screen it is also possible to make manual adjustments in the Dividend adjustment line (see the following screenshot).

Also after creating other transaction types in Dividend or Share Capital, these appear on the screen in a new line.

An infinite number of transactions can be added to a Financial Plan.

Transactions, initiated from the selected Entity, can be edited by clicking in the **Name** column in the line which reopens the slide-in.

Transactions, initiated from the selected Entity, can be deleted by selecting the check box at the beginning of the line on the relevant line and then click the **Delete** button.

WARNING:

This means that internal transactions can only be edited/deleted from within the paying entity.

Transactions, where the selected Entity is the counterparty, are shown in a gray line and cannot be changed. The user is notified of this when hovering over the line.

Financial Statements

The financial statement consists of Cash flow, Profit & Loss, and the Balance Sheet.

> ⚠ Profit & loss and Balance sheet are only visible if these components have been purchased.

Cash flow

The screen **Financial Statements – Cash flow** (see the following screenshot) lists the calculated Financial Plan amounts over time for the Entity according to the financial structure.

Example - Screen: Financial Plan – Cash flow (collapsed view)

The time axis can be zoomed in and out by two ways:

 zooming in from 1 specific year to quarter and thereafter to month level

 zooming out from 1 specific month to quarter and thereafter to year level

 zooming in and out all periods up to year, quarter, or month level in one go

Next to that, also the Financial Structure can be fully expanded or collapsed in one go to the selected level (up to 10 levels available) using the buttons in the first column. See the following screenshot.

The following screenshot shows an expanded time horizon (up to quarterly level) and Financial Structure (till level 5).

Example - Screen: Financial Plan – Cash flow (expanded view)

For both Reaforce Projects/ RE Assets objects and Excel Projects, by clicking on the project it is possible to open a new screen showing the cash flow forecast for the specific project. The following screenshot shows the possibility to drill down, the subsequent screenshot shows the screen after drilling down.

Example - Screen: Financial Plan – Cash flow (drill down on a project)

Example - Screen: Financial Plan – Cash flow (drilled down on a project)

By clicking on the Entity name at the top left of the screen it is possible to return to the Cash flow screen of the Entity.

It is also possible to view the financial statements considering the underlying subsidiaries or as without considering these subsidiaries.

Choices are:

•   Consolidated including subsidiaries; subsidiaries (underlying entities) are included in the figures. In the Enterprise structure, you can drill through per project type to the underlying Entities and associated projects.

- Consolidated excluding subsidiaries; subsidiaries (underlying entities) are included in the figures. Per project type, you can drill through to the underlying projects (per Entity).

- Entity only; subsidiaries (underlying entities) are <u>only</u> included as Investment in Subsidiaries in the figures.

At Entity level, you can also select the view.

Choices are:

- Traditional view; shows the financial statements without aggregated values (values are shown per entity per project)

- Controller view; shows the financial statements with aggregated values at underlying cash flow levels of all projects, objects, and Excel imports.

Profit & Loss

The screen **Financial Statements – Profit & Loss** (see the following screenshot) plots the calculated amounts from the Financial Plan for the Entity over time and these are shown according to the accrued structure.
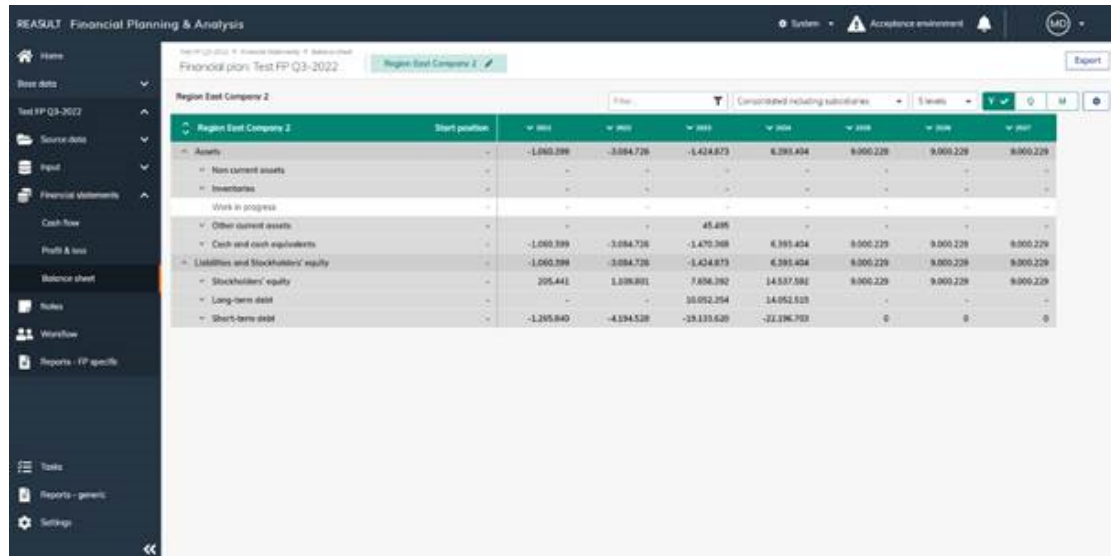
The grid has the same functionality as the Cash Flow view .

Balance sheet

The screen **Financial Statements – Balance Sheet** (see the following screenshot) lists the selected Entity's assets and liabilities.

The grid has the same functionality as the Cash Flow view.

Notes

It is possible to store Notes connected to the Financial Plan, per Entity. First select the appropriate Financial Plan and Entity and then navigate to Notes screen (see the following screenshot).

Notes can be stored with relevant formatting, similar to working with a text processing application. It is also possible to copy and paste text from other applications. Currently, it is not yet possible to paste images or the formatting of tables.

After entering the Notes, click the **Save** button to store the entered text.

Review and approval of Financial Plans

After composing the Financial Plan for a given Entity, the plan can be submitted for approval by the Financial Controller.

An appointed reviewer (defined by User Roles by Entity) analyzes the plan and thereafter approves or rejects it. This creates a workflow in which all Financial Plans in the Enterprise are submitted and approved, step by step from bottom to top. The final step in this process is to conclude the Financial Plan at Enterprise level. This chapter describes this entire workflow.

Step 1. Submitting a Financial Plan for approval

Submitting Financial Plans per Entity starts at the lowest level Entities within the Enterprise.

To do this, the Financial Controller goes in the navigation panel to the appropriate Financial Plan and selects Workflow (see the following screenshot).

The status of each entity is shown on the Workflow screen. Lowest level Entities in the enterprise with Open status can now be submitted, by selecting the check box for these entity(ies), followed by the **Submit open entities** button.

> ℹ️ It is not possible to submit parent entity Financial Plans until the subsidiary plans have been approved.
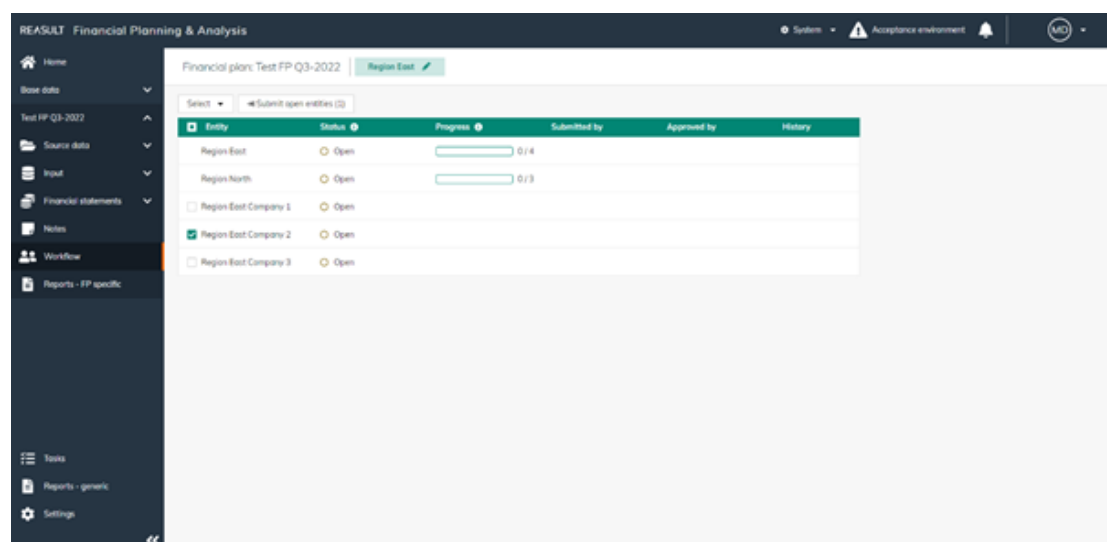
An optional note can be added when submitting (see the following screenshot). This note pertains to all the Financial Plans that are submitted in this action. In case a separate note is needed for each individual Financial Plan, every plan needs to be submitted separately.

After confirming the submission, the Financial Plan for this Entity can no longer be modified.
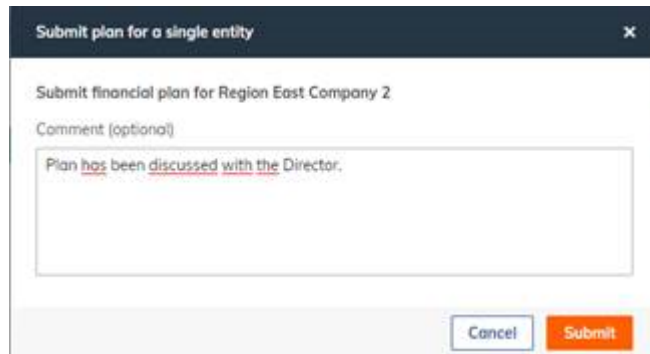

After the submission of Financial Plans, these plans need to be approved by a Reviewer. Multiple users may be assigned the Reviewer role for a single Entity. In that case, only one of these Reviewers will have to review and approve the Financial Plan.

The Reviewer can see the number of his pending (approval)tasks when the Reviewer selects the homepage or Tasks in the navigation panel (see the following screenshot). At the same Workflow screen where Financial Plans are submitted, plans can also be approved.
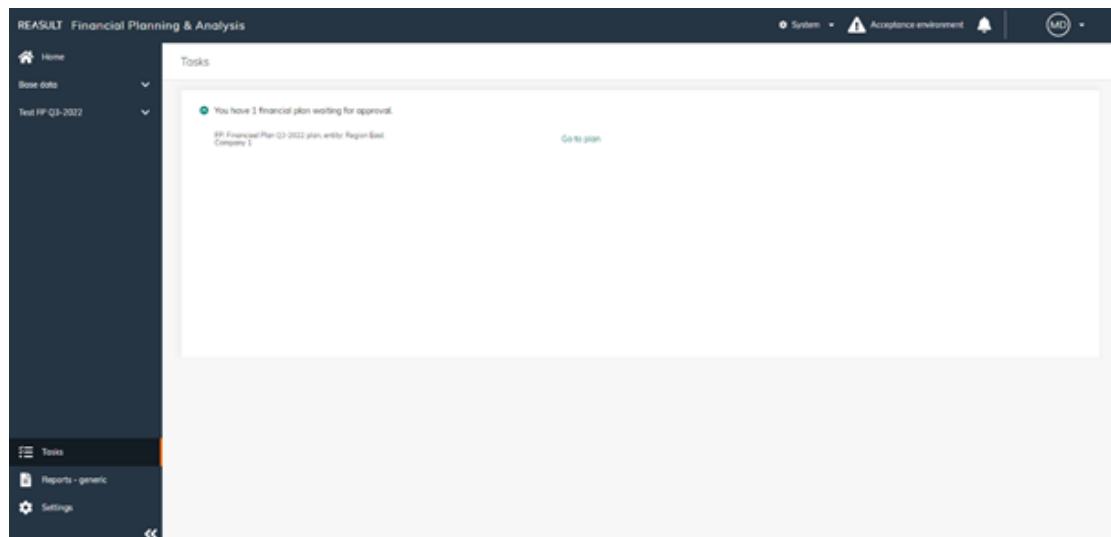
Step 2. Approving the Financial Plan

The Reviewer can approve or reject Financial Plans that have the status Submitted. To do this, the reviewer selects Workflow in the navigation panel and selecting the check box for the entity(ies), followed by the button **Review submitted entities**, followed by the action **Approve** or **Reject**.

The Reviewer can add a comment to his review action. Similarly to storing Notes when submitting, only one Note is stored when multiple Financial Plans are approved or rejected in one go. To store individual Notes per Financial Plan, the plans need to be reviewed separately.

The comments added by submission or to the approval step can be viewed by clicking in the column **History on the Details**.

In case the Reviewer has rejected the Financial Plan of a given Entity, the Financial Controller can again rework the plan. The process of submitting and reviewing starts all over, while comments and status transitions are being tracked.

After approval of all Subsidiary Financial Plans, the Financial Plan of the Parent Entity can be submitted for approval. The Financial Controller of the Parent Entity can submit the plan similar to the process described in Step 1 earlier.

Close and archive Financial Plan

When all Financial Plans within the Enterprise have been approved (see Review and approval of Financial Plans), the Financial Plan can be closed and archived on Enterprise level.

This chapter describes how to close and archive a Financial Plan.

Close a Financial Plan

When all Financial Plans within the organization have been approved, the Global Administrator can close the Financial Plan.

This is done by going in the navigation panel to the homepage and selecting the relevant Financial Plan and clicking on the three dots and choose Close Plan (see the following screenshot). The Financial Plan then gets the status Closed.

Reopen a closed Financial Plan

If needed, the Global Administrator can reopen a closed Financial Plan.

This is done by going in the navigation panel to the homepage and selecting the relevant Financial Plan and clicking on the three dots and choose Reopen Plan (see the following screenshot). The Financial Plan then gets the status Open.

Archive a closed Financial Plan

The Global Administrator can archive a closed Financial Plan.

The Financial Plan will still be listed on the home page and will be retained in the database, but the contents of the plan will no longer be accessible (on screens and in reports).

This is done by going in the navigation panel to the homepage and selecting the relevant Financial Plan and clicking on the three dots and choose Archive Plan (see the following screenshot). The Financial Plan then gets the status Archived.

| Test FP Q3-2022 | | 23/12/22, 11:03 | 01-2022 | 12-2026 | ✓ Closed | |

🗑 Delete plan
ⓘ Reopen plan
🗄 Archive plan

> ℹ️ If necessary, the Global Administrator can restore an archived plan. The plan then receives the status Closed, which means that the contents of the plan can be viewed again.
> The plan can then <u>no</u> longer be reopened, which means that changes to the Financial Plan are no longer possible.

Tasks

Depending on the role(s) of the user, different tasks may be of relevance. The RE Finance application visualizes these tasks on the homepage in the Tasks tile (see the following screenshot).

By clicking on the homepage on the Tasks, the user navigates to the Tasks screen where all relevant tasks are listed (see the following screenshot). All tasks can be viewed and reached with a single click. In this way, clicking on an approval task the user navigates to the correct Financial Plan, to the correct Entity, ready to review the plan.

Reporting

RE Finance has reporting on two levels:

- Overall, general reports (see the following screenshot). This output relates to the whole application (for example user roles) or to multiple Financial Plans.

  To do this, go to Reports – Generic in the navigation panel.

- Reporting related to a single Financial Plan (see the following screenshot).

  To do this, go to Reports – FP specific in the navigation panel in the relevant Financial Plan.

Different reporting outputs are distinguished:

1. Application reports: predefined reports with fixed filtering possibilities. These reports are shown within the RE Finance application and can be exported to amongst others to PDF and Excel.

2. Excel workbook: data in an Excel worksheet. The user can shape these worksheets into meaningful reports or pivot tables.

3. Excel pivot tables: data in an Excel pivot table in which the user is free to determine the rows, columns, and filters. The pivots generated by the application have a default layout that can be altered and stored for future use. In most pivots there is a need to select a single Financial Plan to avoid double counting.

4. Dashboards: management dashboards in PowerBI with predefined drill-down possibilities. This reporting possibility is not available in RE Finance 4.2 yet but will be part of future releases.

The following topics briefly explain the reports available in RE Finance .

Reports - Generic

Ending Balance delta

General report   Report type: Application report

Differences in Ending Balance between two Financial Plans

Users and Roles

General report   Report type: Application report

Users and Roles

This report shows an overview of all Users and related User Roles per Entity, for the selected Entities. Filtering is possible on both Users and User Roles.

Biggest Projects

General report   Report type: Excel pivot

The report lists the top projects based on various criteria.

Consolidated Cash Flow

General report   Report type: Excel pivot

This report shows the structure of the Cash Flows both per period and cumulatively (consolidated).

Cash Flows per Entity

General report   Report type: Excel pivot

This report shows the structure of the Cash Flows both per period and cumulatively (single).

FP comparison: Cash Flow per Entity

General report   Report type: Excel pivot

This report shows the Cash Flow amounts per Entity (per period or cumulative) and allows for comparing these figures for different Financial Plans.

FP comparison: Consolidated Cash Flow

General report   Report type: Excel pivot

This report shows the Cash Flow amounts per Entity (consolidated) and allows for comparing these figures for different Financial Plans.

Ending Balance and Net Debt Position, consolidated

General report   Report type: Excel pivot

This report provides an overview of the Ending Balance liquidity and Net Debt Position for all Entities.

FP comparison: Ending Balance and Net Debt Position, consolidated

General report   Report type: Excel pivot

This report provides an overview of the Ending Balance liquidity and Net Debt Position for all Entities and allows for comparing these figures for different Financial Plans. The report considers the positions of the underlying Entities.

Ending Balance and Net Debt Position, Entity only

General report   Report type: Excel pivot

This report provides an overview of the Ending Balance liquidity and Net Debt Position for all Entities, not considering the positions of the underlying Entities.

FP comparison: Ending Balance and Net Debt Position, Entity only

General report   Report type: Excel pivot

This report provides an overview of the Ending Balance liquidity and Net Debt Position for all Entities and allows for comparing these figures for different Financial Plans. This report does not consider the positions of the underlying Entities.

Profit & Loss per Entity

General report   Report type: Excel pivot

Profit & Loss per period and cumulative (entity)

Consolidated Profit & Loss

General report   Report type: Excel pivot

Profit & Loss per period and cumulative (consolidated)

FP Comparison: Profit & Loss per Entity

General report   Report type: Excel pivot

Comparison of Profit & Loss of two Financial Plans per Entity

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FP Comparison: Consolidated Profit & Loss

General report   Report type: Excel pivot

FP Comparison: Consolidated Profit & Loss

Comparison of Profit & Loss of two Financial Plans consolidated

Balance sheet per Entity

General report   Report type: Excel pivot

Balance sheet per period and cumulative (entity)

Consolidated balance sheet

General report   Report type: Excel pivot

Balance sheet per period and cumulative (consolidated)

FP Comparison: Balance sheet per Entity

General report   Report type: Excel pivot

Comparison of Balance sheet of two Financial Plans per Entity

FP Comparison: Consolidated Balance sheet

General report   Report type: Excel pivot

Comparison of Balance sheet of two Financial Plans consolidated

Reports – Financial Plan Specific

Consolidated cash flow

Financial Plan report   Report type: Excel pivot

This report shows the structure of the Cash Flows both per period and cumulatively (consolidated).

Profit and Loss Reaforce projects

Financial Plan report   Report type: Application report

This report provides an overview of Net Sales amounts and Costs of Sales amounts per year, quarter, or month per Reaforce project and how these amounts are built up from the various cost lines.

VAT report

Financial Plan report   Report type: Application report

This report provides an overview of the VAT amounts per year, quarter, or month and how these amounts are built up from the various cost lines.

Share Capital

Financial Plan report   Report type: Application report

This report provides an overview of entered amounts on Share Capital or Dividend. The report compares amounts for Subsidiary and Parent Entities and indicates when expected amounts do not match (missing or incorrect amounts).

Notes

Financial Plan report   Report type: Application report

This report provides an overview of the Notes entered on all selected Entities.

Workflow status rapport

Financial Plan report   Report type: Application report

This reports shows the workflow status for all Financial Plans of Entities within the Enterprise.

Financial ratio-analysis

Financial Plan report   Report type: Excel pivot

This reports shows the KPIs related to the Cash Flow, Profit & Loss account, and the Balance Sheet for the Financial Plan. An explanation of the KPIs can be found in Explanation of KPIs.

Vertical analysis

Financial Plan report   Report type: Excel pivot

This report shows the relative mutual relationships between the Balance Sheet and the Profit & Loss items.

Horizontal analysis

Financial Plan report   Report type: Excel pivot

Horizontal analysis

This report shows the relative interrelations of the years for the Balance Sheet and the Profit & Loss items.

Explanation of KPIs

This section describes the KPIs shown in the Financial Ratio Analysis report.

1. **Liquidity** indicates to what extent a company can meet its current payment obligations.

   - **Current ratio** provides insight into whether the (short-term) debts can be paid from the current assets. The calculation is as follows:

     Current ratio = Current assets / Short-term liabilities
     Current assets = Inventories + Work in progress + Other current assets + Cash and cash equivalents.
     Short-term liabilities = Short-term debt + Dividends payable

   - **Quick ratio** also indicates the extent to which a company is able to pay (short-term) debts from its current assets. Only in the case of the quick ratio, the inventories do not count, because you cannot immediately (entirely) convert them into money. The calculation is as follows:

     Quick ratio = (Current assets - Inventories) / Short-term liabilities
     Current assets = Inventories + Work in progress + Other current assets + Cash and cash equivalents.
     Short-term liabilities = Short-term debt + Dividends payable

   - **Cash ratio** provides insight into whether the (short-term) debts can be paid from the cash and cash equivalents. The calculation is as follows:

     Cash ratio = Cash and cash equivalents / Short-term liabilities
     Short-term liabilities = Short-term debt + Dividends payable

   - **Net working capital to assets** is the capital you work with on a daily basis. It is the difference between the current assets and the Short-term liabilities on the balance sheet of a company. This amount is divided by the total assets. The calculation is as follows:

     Net working capital = (Current assets -/- Short-term liabilities)/Assets
     Current assets = Inventories + Work in progress + Other current assets + Cash and cash equivalents.
     Short-term liabilities = Short-term debt + Dividends payable

   - **Operating cash flow ratio** indicates how many times the short-term debt can be paid off with the cash flow from operating activities. The calculation is as follows:

     Operating cash flow ratio = Cash flow from operating activities / Short-term liabilities
     Short-term liabilities = Short-term debt + Dividends payable

2. **Solvency** of a company provides insight into the extent to which a company can meet its payment obligations in the long(er) term. This ratio

also shows the extent to which a company is dependent on creditors. Solvency is actually the ratio between your equity and the capital you need.

- ◦ **Total debt ratio** = This ratio represents the ratio between Total Debt and Total Assets. The calculation is as follows:

  Total debt ratio =(Assets -/- Equity)/Assets

- ◦ **Debt-equity ratio** = This ratio shows the ratio between Total Debt and Equity. You calculate this ratio as follows:

  Debt equity ratio = Total Debt / Equity
  Total Debt = Dividends payable + Long-term Debt + Short-term debt

- ◦ **Equity multiplier** = This ratio represents the ratio between Total Assets and Equity. The calculation is as follows:

  Equity multiplier = Assets / Equity

- ◦ **Long-term debt ratio** = This ratio indicates the ratio between Long-term debt and Total assets. You calculate this ratio as follows:

  Long- term debt ratio = Long-term debt / (Long-term debt + Equity)

- ◦ **Interest coverage ratio** = This ratio shows the ratio between EBIT and Financing Interest. The calculation is as follows:

  Interest coverage ratio = EBIT/Interest
  EBIT = Earnings before interest and taxes

3. **Turnover** shows the total amount of the sales.

- ◦ **Asset turnover** the ratio between the Net sales and the Assets. The calculation is as follows:

  Asset turnover = Net sales / Assets

4. **Profitability ratios** show whether a company is financially healthy.

- ◦ **Gross (Profit) Margin%** = Here the Gross Profit (added value) is compared to the turnover. The calculation is as follows:

  Gross Profit Margin = (Added value / Net sales) x 100%
  Added value = Net sales -/- Cost of sales

- ◦ **Operating Margin %** = Here the EBIT is compared to the Net sales. The calculation is as follows:

  Operating Margin = (EBIT / Net sales) x 100%

- ◦ **Profit margin %** = Provides insight into how well a company can convert net sales into profit. The net profit (Result after tax) is set off against the Net sales. The calculation is as follows:

  Net Earnings margin = (Net Earnings / Net sales) x 100%
  Net Earnings = Net sales -/- Cost of sales -/- Operating expenses -/- Interest -/- Corporate Income Tax.

- ◦ **Return on Assets (ROA)%** = (Net Earnings / Assets) x 100%

- ◦ **Return on Equity (ROE) %** = (Net Earnings / Equity) x 100%

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