

TECHNICAL DEPARTMENT FINANCIAL REPORTING

BDO LEASING ADMINISTRATION SOLUTION - LEAD

AN EFFICIENT AND SUSTAINABLE SOLUTION



Lease Accounting at the Turning Point

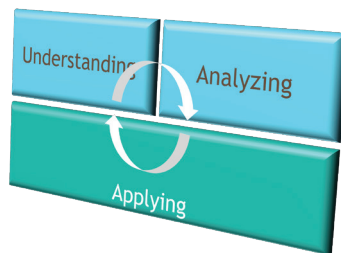
At the beginning of 2016 the IASB (IFRS 16) and the FASB (ASC 842) issued new principles for the recognition, measurement, presentation and disclosure of leases. For lessees a single lease accounting model applies to all leases resulting in an on balance sheet presentation. Operating leases that were previously 'off balance' no longer exist for lessees. As a result, preparers of financial statements are facing challenges and are required to break new grounds and reassess their existing and future lease portfolio.

BDO - your Partner for a successful implementation of IFRS 16

The transition to IFRS 16 requires significant organisational as well as technical skills. The 'on balance' presentation of all leasing arrangements requires a database which captures all existing leasing arrangements together with the relevant parameters.

A successful implementation requires the identification of all existing contracts and a structured approach to store all relevant information in a database. This forms the basis for a smooth implementation that complies with the new requirements of IFRS 16. The use of (partly)-automated solutions accelerates and simplifies the collection and analysis of data. To address those needs, our IT department worked closely together with our

Technical Department Financial Reporting to develop an IT-based solution, which supports the preparer in applying the new requirements for lease accounting. **BDO LEAD** allows you to understand and analyse the effect of the implementation and ensures a timely and efficient implementation of IFRS 16 and ASC 842. **BDO LEAD** supports the filing and the ongoing data administration of your leasing contracts making lease accounting easier and more transparent.



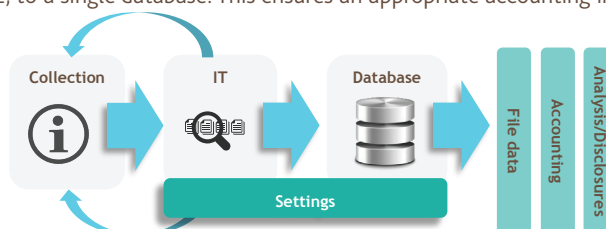
Lease Accounting - easy Application

BDO LEAD helps you to transfer the existing data, supplemented by additional parameter necessary for the accounting under IFRS 16 or ASC 842, to a single database. This ensures an appropriate accounting in compliance with the new requirements.

For your existing and new lease contracts **BDO LEAD** guides you through the complexity of the standard and provides you with the final journal entry.

Furthermore, the integration of your manual of accounting into our solution ensures a group wide unified accounting.

The database is also capable of recognising e.g. transitional effects on your KPIs and the relevant disclosure requirements which prevents unintended surprises or additional workload.



BDO LEAD meets your objective of a successful Implementation

The **BDO LEAD** solution meets your requirements. We therefore guarantee an efficient and timely implementation of IFRS 16/ASC 842 which meets the highest quality standards. **BDO LEAD** guides you safely and without diversion to your destination.

About BDO

With over 1'900 employees at 26 offices in Germany BDO is a leader in auditing and audit-related services, tax and business law, and providing general advisory services.

BDO Germany is a founding member of the international BDO network (1963), featuring more than 64'000 employees in 154 countries. This makes us the only globally active auditing and consulting organization with European roots.

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