

HansaWorld Enterprise

Integrated Accounting, CRM
and ERP System for
Macintosh, Windows, Linux,
PocketPC 2002 and AIX

Consolidation

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Preface

The HansaWorld Enterprise range of products contains a number of powerful accounting, CRM and ERP systems for the Windows, Macintosh, Linux, PocketPC 2002 and AIX environments.

The programs are designed to make administration and accounting as easy and fast as possible. They are similar in operation regardless of platform. In the specific areas where there are significant differences, these are described and illustrated in full. In all other cases illustrations are taken from the Windows XP version.

This manual covers Hansa's Consolidation modules. Prior to reading it, you should already be familiar with Hansa's Work Area (its modules, registers, windows, menus and buttons) and the Nominal Ledger (described in the 'Nominal Ledger' manual).

Text in square brackets - [Save], [Cancel] - refers to buttons on screen.

Information in this document is subject to change without notice and does not represent a commitment on the part of HansaWorld. The Software described in this document is a sophisticated information management system. Features are liable to alteration without notice. This documentation is not intended as a *de facto* representation of the system, but as an overview of its facilities. It cannot be exhaustive in all respects. Whilst effort is made to ensure the accuracy of the information published concerning the features and use of HansaWorld software, it is still possible that certain functions mentioned may not be fully implemented, may not be available under certain circumstances, or may possibly relate to a future release of the software. Errors and omissions excepted. HansaWorld accepts no contingent liabilities. All HansaWorld software related transactions are subject to HansaWorld's Conditions of Sale and Software Licence Agreement. All rights reserved.

How these manuals are organised

Introduction to HansaWorld Enterprise

Introduction	Installing HansaWorld Enterprise, the basic ideas
Work Area	Basic elements of HansaWorld Enterprise: modules, registers, windows, menus, functions, buttons
Accounting Principles	About the place of HansaWorld Enterprise in your business, integration between ledgers, objects
Starting Work	Entering opening balances

Manuals for each Module

Assets	Asset accounting, calculation of depreciation using user-definable depreciation models, revaluation
Cash Book	Inward and outward cash transactions, receipts and payments
Consolidation	Multi-company reporting, subsidiaries and daughter companies
Contracts	Periodic invoicing and repeat billing, contract renewals, contract quotations, contracts from invoices
CRM	Time management using daily or monthly calendar formats. Contact and customer history. Customer letters and mailshots. Target time. Employee time statistics
Currency	Multi-currency in all modules
Customers and Suppliers	Customers and suppliers, customer categories and reports
Expenses	Payments to and from employees
Items and Pricing	Products and services, pricing
Job Costing	Project management, Recording time, expenses and purchases. Instalments. Pricing by consultant, project, task and time of day. Budgets and quotations
Mail	Internal mail, external mail (email), conferences, off-line local mail, chat
Nominal Ledger	Transactions, simulations, budgets and revised budgets. Error correction. Account reconciliation. Transaction templates. Flexible management and financial reports with multi-dimensional analysis and drill-down to transaction level
Production	Multi-level assemblies from components
Purchase Ledger	Purchase invoices, payments and payment suggestions, creditor reports, prepayments, accruals, acceptance
Purchase Orders	Purchase orders, goods receipts and purchase pricing
Quotations	Sending quotations, call backs, pipeline management, opportunity forecasting and conversion ratio reports
Sales Ledger	Invoices, receipts, debtor reports and documents, deposits and prepayments, accruals
Sales Orders	Orders and deliveries. Invoices from orders
Service Orders	Management of service stock, invoicing of repairs, warranties
Stock	Deliveries, goods receipts and stock movements, batch and serial number tracking, multi-location stock management
System Module	Settings and parameters. System-wide usage

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***HansaWorld
Enterprise
Consolidation***

The Consolidation Module

This module permits Transactions from “Daughter” Companies (e.g. subsidiary Companies) to be made visible to a “Mother” Company (the holding Company), so that consolidated reports can be produced quickly and easily. The module supports multi-level consolidation: Daughter Companies can have their own Daughters. Subsidiaries can be wholly or partially owned.

You will produce consolidated reports from the Mother Company. These reports will be constructed using information in the Mother and the Daughter Companies. This is done automatically: there is no need for you to transfer any Transactions from Daughter Companies to the Mother Company manually before producing a report. This means that the Mother and Daughter Companies must reside in the same database.

In some circumstances, the requirement to have the Mother and Daughter Companies in the same database might not be practical. If so, the module also contains a ‘Consolidation’ Export function, which can be used to export Transaction information from a Daughter Company to a text file. This text file can then be imported to the Mother Company.

The basic steps required to set up the Consolidation module are as follows—

1. Enter all Companies to the Company register in the System module. Ensure each Company contains its own Chart of Accounts, Fiscal Years, VAT Codes, Nominal Ledger report definitions, Currencies and so on.
2. In the Mother Company, complete the Daughter Companies setting in the Consolidation module. This setting should also be completed in any Daughter Companies that themselves have Daughters.
3. In all Companies, complete the Consolidation Settings setting in the Consolidation module. This will determine the Currency that will be used in the consolidated reports.
4. In any Daughter Company that is partially owned, enter a record in the Main Owner Percentage register. This will state on a percentage basis how much of the Daughter is owned by the Mother.
5. When you produce a consolidated report, the balance of each Daughter Company Account is added to the balance of the Mother Company Account to which it has been linked. The final step is to establish this link in each Account record in each Daughter Company.

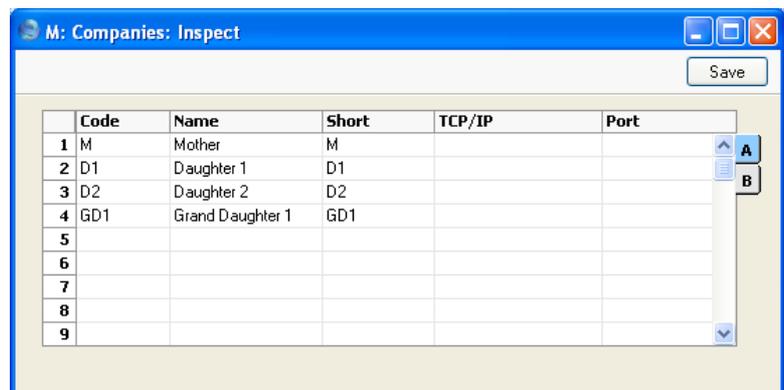
6. In some circumstances, each Daughter Company will be a separate cost centre that will be invoiced when it uses resources belonging to another Daughter Company. These internal costs and income should be eliminated from the consolidated accounts so that the figures for the group as a whole are correct. In some cases, you can do this simply by using the same Account as the Sales Account in one Daughter and as the Cost Account in the second Daughter. If this is not possible, you can eliminate the balances of Accounts used for this purpose using the 'Account Auto Elimination' Maintenance function.

This manual now describes these steps in detail, provides instructions for producing consolidated reports and concludes with a detailed example.

Companies

Working in the Mother Company and referring to the 'Adding New Companies' section in the 'Introduction and Installation' chapter in the 'Introduction to HansaWorld Enterprise' manual, enter as many Companies as necessary. Ideally, you should do this when installing Hansa, before applying for a database key. However, you can add Companies can be added, but remember that you will need to apply for a new database key each time.

You should add new Companies using the Company register in the System module. In the example used in this manual, the Mother Company has two Daughter Companies. The second Daughter Company has its own Daughter. Company names have been chosen so that they can clearly be identified in the illustrations —



The screenshot shows a window titled "M: Companies: Inspect" with a "Save" button in the top right corner. Below the button is a table with the following columns: Code, Name, Short, TCP/IP, and Port. The table contains four rows of data:

	Code	Name	Short	TCP/IP	Port
1	M	Mother	M		
2	D1	Daughter 1	D1		
3	D2	Daughter 2	D2		
4	GD1	Grand Daughter 1	GD1		
5					
6					
7					
8					
9					

When adding new Companies to the Company register, remember that the "Default.txt" text file must be present in the same folder as the Hansa

application. Hansa will use this file to import some basic settings to the new Companies. Remember too that for security reasons, Hansa will shut down after any changes or additions have been made in the Company register. Restart the program to continue working. In multi-user systems, you will need to close your client, restart the server and then restart the client after adding Companies. For this reason, make sure there are no other users logged in to your system when you add new Companies.

If you want to use the same Chart of Accounts, Objects etc. in all Companies, enter them to one Company and then export them to text files using the 'System Data' Export function in the System module. Customers can be exported using the 'Base Registers' Export, and Items using the 'Item Base Registers' Export, both in the System module. Change to another Company using the 'Company' function on the File menu, and then import the text files using the 'Automatic' or 'Automatic, manual file search' Import functions in the System module. Then make any Company-specific changes required. Alternatively, you can share these registers as described in the 'Work Area' chapter in the 'Introduction to HansaWorld Enterprise' manual. This method will mean the contents of the shared register will always be the same in every Company, and Company-specific variations will not be possible. For consolidation purposes, it might be useful to share the Customer and Item registers, but it is unlikely that you will want to share the Account register. Sharing this register will mean that it will not be possible to link Daughter Company Accounts to different Mother Company Accounts.

Settings

Introduction

The Consolidation module contains the following settings—



To edit a setting, ensure you are in the Consolidation module using the Modules menu and click the [Settings] button in the Master Control panel or select 'Settings' from the File menu. The list shown above appears. Then, double-click the relevant item in the list.

Configure the Daughter Companies setting in the Mother Company, and in any Daughter Companies that have their own Daughters. Configure the Consolidation Settings setting in all Companies. To switch between Mother and Daughter Companies, use the 'Company' function on the File menu. Providing you have defined the Company Info setting in each Company in an appropriate fashion, the Company Box in the top right-hand corner of the screen provides a reminder of the Company you are currently working in.

Consolidation Settings

You should configure this setting in all Companies. You must have at least one Base Currency that is common to all Companies. This is known as the "Group Currency" and is the Currency that will be used when you produce consolidated reports from the Mother Company.



Use this setting to specify whether the Group Currency is being used as Base Currency 1 or Base Currency 2 in each Company.

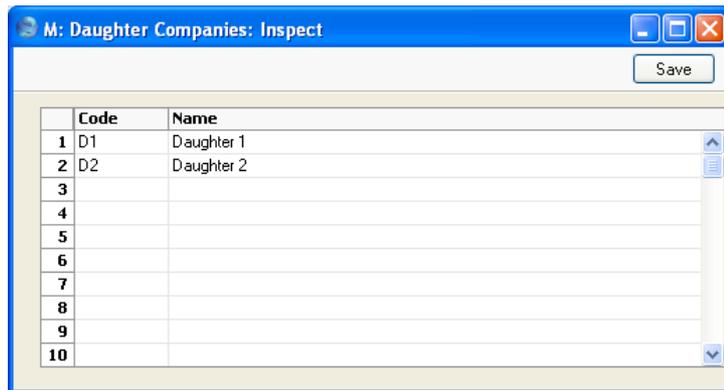
In the following example, the Euro is the Group Currency —

Company	Base Currency 1	Base Currency 2	Option in this setting
Mother	GBP (Pounds)	Euro	BC2
Daughter 1	SEK (Swedish Kr)	Euro	BC2
Daughter 2	Euro		BC1

The Mother Company Code is not used in this version of Hansa.

Daughter Companies

You should configure this setting in the Mother Company and in any Daughter Companies that have their own Daughters. It is a list of the Daughter Companies that belong to the Mother Company —



In the Code field, enter the Code of each Daughter as entered in the Code field in the Company register.

The Main Owner Percentage Register

Use the Main Owner Percentage register in Daughter Companies that are not wholly owned by the Mother, or where there is any other reason for only a percentage of the results of the Daughter Company to be reported to the Mother.

Date	Percentage
1/1/2001	40.00
1/1/2002	45.00
1/1/2003	50.00
1/1/2004	60.00

You can enter separate records in the Main Owner Percentage register, allowing the ownership percentage to change over time. In the example illustration above, the Mother Company owned 40% of the Daughter to start with, and increased its holding to 60% over time.

The appropriate percentage of the Daughter Company's Account balances will be included in consolidated reports produced from the Mother Company. For example—

Report Period	Percentage
01/01/2001:31/12/2001	40
01/01/2002:31/12/2002	45
01/01/2001:31/12/2002	45

In the third example, the Main Owner Percentage changed during the report period. When this happens, the latest percentage is used.

If the Main Owner Percentage register is empty, the Daughter Company is assumed to be 100% owned by the Mother.

Where a Daughter Company is partially-owned and an appropriate record exists in the Main Owner Percentage register, balances of Daughter Company Accounts will only be reduced to the correct percentage if the Reduce

Minority check box is on in the Daughter Company Account records (see next section).

This register and the Reduce Minorities check box are also taken into account by the 'Consolidation' Export function. The balance for each Account that is exported will be reduced to the correct percentage for Accounts whose Reduce Minorities box has been checked.

The Account Register

The Account register is available in the Consolidation module. For each Account in the Daughter Companies, you should consider one field and one check box.

The screenshot shows a window titled "D1: Account: Inspect" with a blue title bar and standard window controls. Below the title bar are navigation arrows and buttons for "New", "Duplicate", "Cancel", and "Save". The main area contains the following fields and options:

- Account:** 700
- Name:** Bank Current Account
- Tabs:** "Misc" (selected) and "Texts"
- Auto.Trans.:** [Empty field]
- VAT Code:** [Empty field]
- Currency:** [Empty field]
- SRU Code:** [Empty field]
- Consolidation Acc:** 701
- Accrual:** [Empty field]
- Trans. Auto:** [Empty field]
- Account Type:**
 - Asset
 - Liability
 - Equity
 - Income
 - Expense
- Normal Amount:**
 - Debit
 - Credit
 - Closed
 - Group Account
 - Reduce Minorities

Consolidation Acc Use this field to establish the relationship between each Account in a Daughter Company and one in the Mother Company. Once you have done this, when you produce a consolidated report from the Mother Company, the balance of each Account in the Daughter Companies will be added to the balance of the Mother Company Account to which it has been linked. This calculation occurs when the report is produced: no posting between Companies will take place.

In each Daughter Company Account, specify here the Mother Company Account to which it is to be linked. More than one Daughter Account can contribute to the balance of a single Mother Account. If this field is blank, the Mother Account with the same Account Code as this one will be used. If a non-existent Mother Account is entered, or if this field is blank and the Account Code of this Account does not exist in the Mother Company, the balance from this Account will not be included in the consolidated reports.

If you need to produce consolidated reports but find that the requirement to have the Mother and Daughter Companies in the same database is not practical, you can use the 'Consolidation' Export function to export Transaction information from a Daughter Company to a text file. You can then import this text file to the Mother Company. If you are using this Export function, enter here the Mother Company Account that is to receive the balance for this Account. If this field is blank, the Mother Account with the same Account Code as this one will be used. If a non-existent Mother Account is entered, or if this field is blank and the Account Code of this Account does not exist in the Mother Company, a new Account will be created.

Reduce Minorities When you produce consolidated reports from the Mother Company, the balance of the Daughter Company Account is added to that of the Mother Company Account specified in the Consolidation Acc. field above. If the Daughter Company is not wholly owned by the Mother, you might only want a percentage of the balance of the Daughter Company Account to be added to that of the Mother Company Account. If so, check this box. The percentage is taken from the Main Owner Percentage register described above on page 13.

Note that if this box is not checked, the whole balance of this Account will be included in consolidated reports, even if there is a record in the Main Owner Percentage register. This can be correct, depending on the type of the Account and on local legislation.

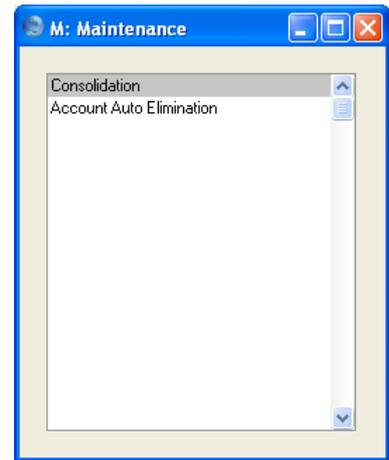
This check box and the Main Owner Percentage register are also taken into account by the 'Consolidation' Export function. The balance for each Account that is exported will be reduced to the correct percentage for Accounts whose Reduce Minorities box has been checked.

If you need to check that you have correctly linked every Daughter Company Account to a Mother Company Account, and that the Reduce Minorities check box is correct in every Account, produce a Consolidation Chart of Accounts reports from the Daughter Company.

Maintenance

Introduction

Maintenance functions allow you to carry out certain updating tasks, usually involving batch processing and encompassing all or many of the records in the affected register. There are two such functions available in the Consolidation module. To use them, select 'Maintenance' from the File menu. The following window appears—



Double-click the chosen option. A specification window will then appear, where you can decide how the function is to operate. Click [Run] to operate the function.

Consolidation

Please refer to page 37 below for details of this function.

Auto Elimination

In some circumstances, each Daughter Company will be a separate cost centre that will be invoiced when it uses resources belonging to another Daughter Company. These internal costs and income usually should not be included in turnover figures in the consolidated accounts. They should be

removed from the consolidated accounts so that the figures for the group as a whole are correct.

In some cases, you can eliminate internal costs and income simply by using the same Account as the Sales Account in one Daughter and as the Cost Account in the second Daughter, or by consolidating the two Daughter Accounts to the same Account in the Mother Company. Otherwise, you can eliminate the balances of Accounts used for this purpose using the Auto Elimination setting in the Nominal Ledger together with the 'Account Auto Elimination' Maintenance function, available in both the Nominal Ledger and the Consolidation module. You might use this method when internal transactions have been entered as sales in one Daughter and as purchases in another with slightly different values due to exchange rate differences, data entry errors, etc.

You can use the 'Account Auto Elimination' function in two ways—

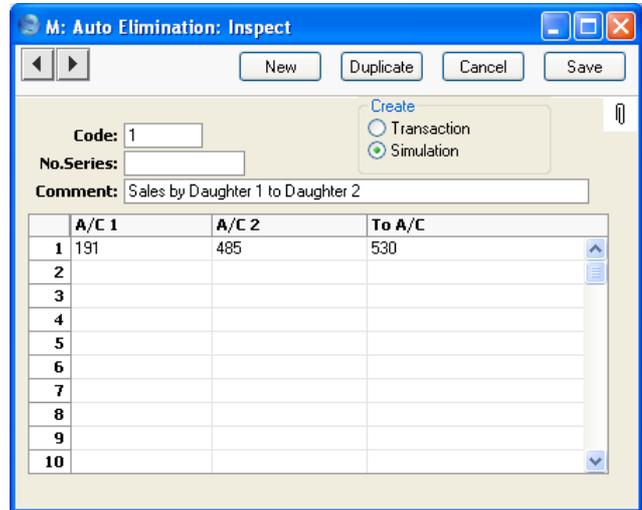
1. You can use it in the Mother Company only. In this case you can run the function from the Nominal Ledger or from the Consolidation module. You should use this method if the Mother Company already contains the consolidated account balances from the Daughter Companies (i.e. if you have used the 'Consolidation' export function to export Transaction information from each Daughter Company which you have then imported to the Mother Company, as described below on page 33).
2. You can use it in the Mother Company but apply it to all Companies in the database. In this case you must run the function from the Consolidation module. You should use this method if you have the Mother and Daughter Companies in the same database and you will be producing consolidated reports from the Mother Company without physically transferring any Daughter Company information to the Mother Company.

You should use the Auto Elimination setting to define the sets of rules that will inform the Maintenance function how the account elimination task is to be carried out. The function will use the set of rules to create a new record in the Simulation or Transaction register containing the necessary postings. Therefore, once you have defined a particular set of rules, you can use it many times.

The Auto Elimination Setting

To enter a new Auto Elimination record or to edit an existing one, make sure you are in the Nominal Ledger and open the 'Settings' list by clicking the [Settings] button in the Master Control panel or by selecting 'Settings' from the File menu. Double-click 'Auto Elimination' in the list. The 'Auto

Eliminations: Browse' window is displayed, showing all Auto Elimination records previously entered. Double-click a record in the list to edit it, or add a new record by clicking the [New] button in the Button Bar. When the record is complete, save it by clicking the [Save] button in the Button Bar or by clicking the close box and choosing to save changes. To close it without saving changes, click the close box.



Code Enter a unique Code by which the Auto Elimination record will be identified.

Create Use these options to determine whether the 'Account Auto Elimination' Maintenance function will create a Simulation or a Transaction.

If the function is to create a Simulation, you will be able to check it for accuracy before converting it into a Transaction using the 'Transactions' Operations menu function on the 'Simulations: Browse' window.

No. Series You can specify that the Transaction or Simulation created by the 'Account Auto Elimination' Maintenance function will be numbered using a particular number sequence in the Number Series - Transactions or Number Series - Simulations settings. To do this, enter the first number of the number sequence here. If you leave this field empty, the function will use the first number sequence in the setting. If the number entered does not fall into a recognised or currently valid number sequence, the Maintenance function will not create a

Simulation or a Transaction. This will occur most commonly when Number Series are tied to a period such as a calendar year and that period ends.



Be sure to specify a valid Number Series, otherwise no Simulations or Transactions will be created.

Comment

Enter a name for the Auto Elimination record, to be shown in the 'Auto Eliminations: Browse' window and the 'Paste Special' list. The Comment is also transferred to the Text field of any Simulation or Transaction created by the 'Account Auto Elimination' Maintenance function.

Use the grid to define the set of rules used when eliminating Account balances. Use as many rows as necessary if you need to eliminate the balances from various pairs of Accounts, although it is usually recommended that you enter separate records in the setting for this purpose. This reduces the possibility for future errors.

A/C 1, A/C 2

Paste Special

Account register, Nominal
Ledger/System module

Specify here the two Accounts whose balances are to be cancelled out or eliminated. For example, if one Daughter Company has invoiced another Daughter Company for the use of a particular resource, the two Accounts that you enter here will be the Sales Account in the first Daughter Company and the corresponding Cost Account in the second Daughter Company. You must specify both Accounts in a particular row, and both Accounts must exist in the current Company, otherwise the row will be ignored by the Maintenance function.

To A/C

Paste Special

Account register, Nominal
Ledger/System module

In case the balances of the two Accounts are not the same (i.e. they will not cancel each other out), specify here the Account that is to receive the difference. You must specify a To Account in a particular row and the Account must exist in the current Company, otherwise the row will be ignored by the Maintenance function.

In the example illustration, the Sales Account 191 and the Cost Account 485 will have their balances cancelled

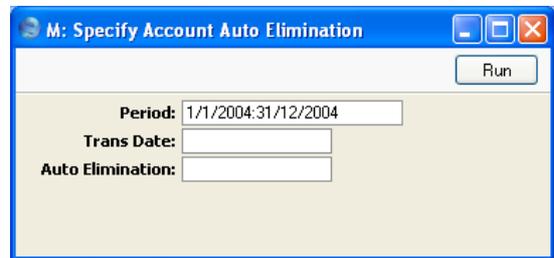
out. If their balances are not the same, the difference will be posted to Account 530.

There should not be a balance in the difference Account after you have run the 'Account Auto Elimination' function. If there is a balance, it will usually be caused by an error in one of the Daughter companies. You should trace the error and correct it before producing the final consolidated accounts.

The 'Account Auto Elimination' Maintenance function

Once you have defined a set of rules using the Auto Elimination setting in the Nominal Ledger as described above, it will be used by the 'Account Auto Elimination' Maintenance function to create a new record in the Simulation or Transaction register containing the necessary postings.

You can use the 'Account Auto Elimination' function from the Nominal Ledger and from the Consolidation module. To use it, ensure you are in one of these modules and open the 'Maintenance' list by selecting 'Maintenance' from the File menu. Double-click 'Account Auto Elimination' in the list. If you are in the Nominal Ledger, the following dialogue box appears—



Period	Paste Special	Reporting Periods setting, System module
		The balances to be eliminated will be the net changes in the balances of Accounts 1 and 2 over the period entered here.
Trans Date	Paste Special	Choose date
		Enter a date to be used as the Transaction Date in the Transaction or Simulation created by the function.
		If the function will create a Transaction, you must enter a date here, otherwise the function will have no effect. If the function will create a Simulation and you do not enter a date, the resulting Simulation will not have a

date. You will not be able to convert this Simulation into a Transaction until you enter a date.

Auto Elimination Paste Special Auto Elimination setting,
Nominal Ledger

Enter the Code of a record in the Auto Elimination setting. This will determine whether the function will create a Simulation or a Transaction and will specify the Accounts whose balances are to be cancelled out and the Accounts that are to receive any differences.

Click the [Run] button in the Button Bar to run the function. When it has finished, you will be returned to the 'Maintenance' list window. The function will check the current Company only for the balances of Accounts 1 and 2 as specified in the Auto Elimination record. It will create a Simulation or Transaction in the current Company reversing those balances and posting any difference to the To Account, also as specified in the Auto Elimination record.

For example, the record in the Auto Elimination setting shown at the beginning of this section will create a Simulation eliminating the balances from Accounts 191 and 485, with any difference being transferred to Account 530.

The Analytical Balance report (or the Nominal Ledger report if you want more detail) shows the balances that will be eliminated —

Account	B/Fwd Bal	Per Deb	Per Cred	Balance
Values in GBP				
191 Sales to Daughter 2		0.00	10.00	10.00
Group '1'		0.00	10.00	10.00
485 Purchases from Daughter 1		10.01	0.00	10.01
Group '4'		10.01	0.00	10.01
		10.01	10.00	10.01 10.00
DB Transactions			729	
Seconds			1.24	

The 'Account Auto Elimination' function will create this Simulation—

M: Simulation: Inspect

Operations [New] [Duplicate] [Cancel] [Save]

No.: 11 Trans.Date: 31/1/2005 Reference: []

Text: Sales by Daughter 1 to Daughter 2

	A/C	Trans Date	Objects	Description	Debit	Credit	V-Cd
1	191			Sales to Daughter 2	10.00		A
2	485			Purchases from Daughter 1		10.01	B
3	530			Inter-company Balancing	0.01		
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							

Difference: 0.00 Total: 10.01 10.01

When you are certain that the Simulation is correct, you can convert it into a Transaction using the 'Transactions' function on the Operations menu of the 'Simulations: Browse' window. In the example illustrated above, the cause of the difference should be traced and removed, and the 'Account Auto Elimination' function should be run again to create a new Simulation, which can then be converted to a Transaction.

If you run the 'Account Auto Elimination' function from the Consolidation module, the 'Specify Account Auto Elimination' window has an extra field, Tran. to Company—

M: Specify Account Auto Elimination

[Run]

Period: 1/1/2004:31/12/2004

Trans Date: []

Auto Elimination: []

Tran. to Company: []

If you leave this field empty, the function will behave in the same way as described above, working only in the current Company.

You can run the function from any Company in the database, and you should enter the Company Code of the Mother Company in this field. You should do this even if you are running the function in the Mother Company itself. The consequences will be as follows—

1. The function will search in the specified Company (i.e. in the Mother Company, not in the current Company) for the Auto Elimination record specified in the field above.
2. The function will create the elimination Simulation or Transaction in the Mother Company. The Accounts used in the Auto Elimination record must all exist in the Account register in the Mother Company.
3. The function will check the Mother Company for the balances of Accounts 1 and 2 as specified in the Auto Elimination record, and it will also check all Companies listed in the Daughter Companies setting in the Mother Company. This is not a multi-level check, so if any Daughter Companies have their own Daughters, you should run the function at the Daughter Company level before doing so in the Mother Company.

For example, the record in the Auto Elimination setting shown at the beginning of this section will create a Simulation eliminating the balances from Accounts 191 and 485, with any difference being transferred to Account 530.

A single inter-company transaction is recorded as a sale in the first Daughter Company and as a purchase in the second—

D1: Transaction: Inspect

Operations
New Duplicate Cancel Save

No.: 970176 Trans.Date: 6/1/2005 Reference:

Text: Sale to Daughter 2

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	721		Inter-company Cash Account	29.38		
2	191		Sales to Daughter 2		25.00	1
3	830		VAT Outputs Payable		4.38	

D2: Transaction: Inspect

Operations
New Duplicate Cancel Save

No.: 960079 Trans.Date: 6/1/2005 Reference:

Text: Purchase from Daughter 1

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	485		Purchases from Daughter 1	25.01		S
2	831		VAT Inputs Receivable	4.38		
3	721		Inter-company Cash Account		29.39	
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

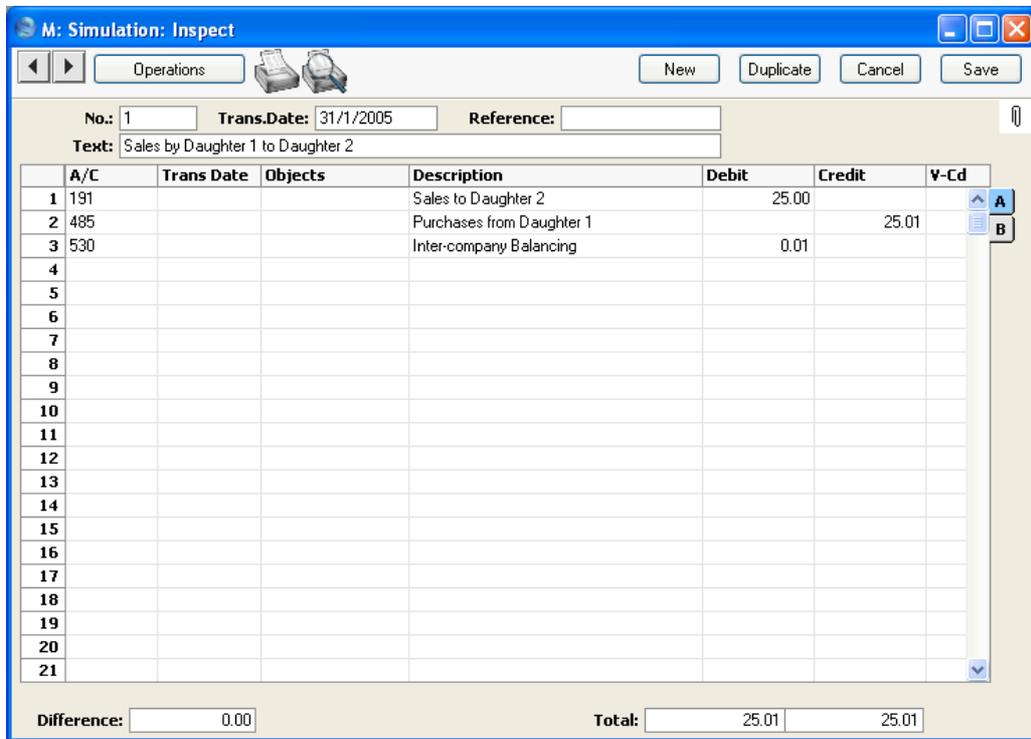
Difference Base 1:	0.00		Total:	29.39	29.39
Difference Base 2:	0.00		Total:	46.65	46.65

Enter the Company Code of the Mother Company in the Tran. to Company field in the 'Specify Account Auto Elimination' window—



In the example illustration, the “M” in the title bar indicates that the function is being run from the Mother Company, but it is still necessary to enter the Company Code “M” in the Tran. to Company field. This means the function will look in all M’s Daughter Companies for account balances to be eliminated. If the Tran. to Company field were left blank, the function would look in the Mother Company only.

The 'Account Auto Elimination' function will create this Simulation in the Mother Company—



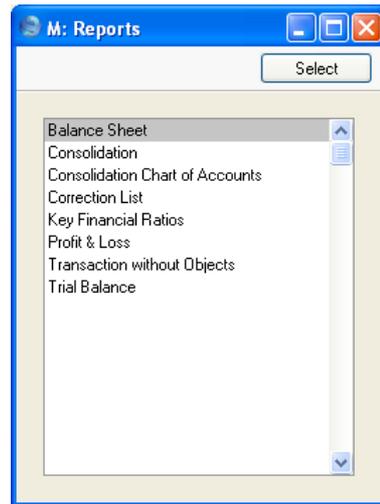
As in the previous example, the cause of the difference should be traced and removed, and the 'Account Auto Elimination' function should be run again to create a new Simulation, which can then be converted to a Transaction.

Reports

Introduction

As with all modules, to print a report in the Consolidation module, select 'Reports' from the File menu or click [Reports] in the Master Control panel. You can also use the keyboard shortcut Ctrl-R or ⌘-R. Then, double-click the appropriate item in the list.

The following reports are available in the Consolidation module—



A specification window will then appear, where you can decide what is to be included in the report. Leave all the fields in this window blank if the report is to cover all the records in the database. If it is necessary to restrict the coverage of the report, use the fields as described individually for each report.

Where specified below, it is often possible to report on a selection range, such as a range of Account Numbers. To do this, enter the lowest and highest values of the range, separated by a colon. For example, to report on Accounts 001 to 010, enter "001:010" in the Account Number field. Depending on the field, the sort used might be alpha or numeric. In the case of an alpha sort, a range of 1:2 would also include 100, 10109, etc.

Use the Media options at the bottom of the specification window to determine the print destination of the report. The default is to print to screen.

You can initially print to screen and subsequently send the report to a printer by clicking the Printer icon at the top of the report window.

Once you have entered the reporting criteria and have chosen a print destination, click [Run].

With a report in the active window, use the 'Recalculate' command on the Operations menu to update the report after making alterations to background data. You can use the 'Reopen Report Specification' command on the same menu to update the report using different reporting criteria.

Balance Sheet

The Balance Sheet in the Consolidation module is very similar to that in the Nominal Ledger and uses the same report definition. Apart from the exception described below, please refer to the 'Nominal Ledger' manual for descriptions of the 'Specify Balance Sheet' window and of the report definition.

M: Specify Balance Sheet [Run]

Period: 1/1/2004:31/12/2004 Header: Balance Sheet

Object: []

Object Type: [] Including unspecified

Language: []

Accounts

- All
- Used Only
- Groups Only
- Used Groups Only
- With Balance

Notation

- Exact
- No Decimals
- Thousands
- Millions
- Comparison in %

Comparison

- Net Change
- Budget
- Previous Year
- Revised Budget

Including Simulations

List Transaction Nos

No Header

Include Daughter Companies

Media

- Screen
- Printer
- File
- Clipboard
- Print Dialog

Include Daughter Companies

This check box is relevant when you produce the Balance Sheet from the Mother Company. Use this

option if you want to produce a consolidated report, taking into account Transactions from the Daughter Companies as well as those in the Mother Company. If you do not check this box, a 'standard' Balance Sheet will be produced, from the Transactions in the Mother Company only.

Drill-down

When you print a Balance Sheet to screen using the Include Daughter Companies option, it will contain the same drill-down feature as the standard version of the report. In this case, however, you will be able to drill down to individual Daughter Company Transactions from a report produced in the Mother Company.

If you click on an Account number in the report, a Balance Sheet for that Account only is opened in a new window. This will contain separate Account balances for that Account from each Daughter Company. If you then click on an Account Number in this second report, a Nominal Ledger report for the same Account and period is then opened in a second new window, listing the Transactions from the selected Daughter Company that contribute to the Account balance on the Balance Sheet. If you then click on one of the Transaction Numbers in the Nominal Ledger report, the Transaction record will open, showing all the details recorded for the event. During this process, you will be asked to log in to any Daughter Companies that you have not yet used in the work session.

Consolidation

Hansa's Consolidation module is designed so that information in Daughter Companies can be made available to certain reports in the Mother Company without the need physically to transfer any Daughter Company information to the Mother Company. This makes it very easy to produce consolidated reports, and removes the risk of error inherent in copying information from one Company to another.

However, the requirement to have the Mother and Daughter Companies in the same database may not be practical in every case. Where this is so, you can use the 'Consolidation' Export function to export Transaction information from a Daughter Company to a text file. This text file can then be imported to the Mother Company.

You can produce this report in a Daughter Company before using the Export function to see what will be included in the text file. The 'Specify Consolidation Report' window is similar to the 'Specify Consolidation

Export' window: please refer to the 'Exports' section below on page 33 for full details.

Consolidation Chart of Accounts

You can produce this report in a Daughter Company to list the Accounts in the Account register to check that they all have a Consolidation Account specified (i.e. they have all been linked to an Account in the Mother Company). The report also shows the status of the Reduce Minorities check box for each Account.

Correction List

This report is similar to the Correction List in the Nominal Ledger, but lists corrected or updated Transactions from every Company in the database. Please refer to the 'Nominal Ledger' manual for full details.

Key Financial Ratios, Profit & Loss, Trial Balance

With the exception of the Include Daughter Companies option, these reports in the Consolidation module are very similar to those in the Nominal Ledger and use the same report definitions. Please refer to the 'Nominal Ledger' manual for descriptions of the specification windows and of the report definitions, and to the section describing the Balance Sheet above for details

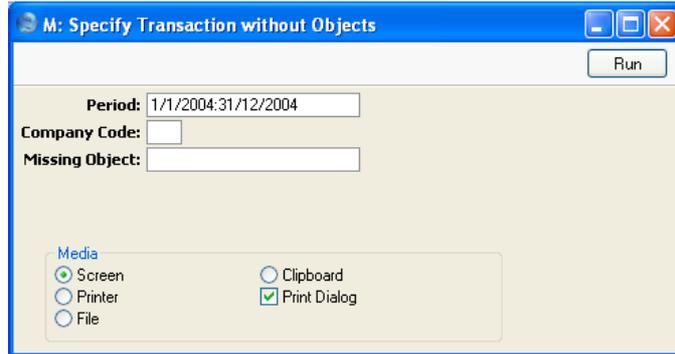
of the Include Daughter Companies option and of the multi-company drill-down feature in the Profit & Loss report.

Transactions Without Objects

This report is a list of Transactions that do not have Objects.

You can run this report from any Company. If you run it from the Mother Company, it will contain separate sections for the Mother Company and each Daughter Company.

When printed to screen, this report has Hansa's Drill-down feature. Click on any Transaction Number in the report to open an individual Transaction record.



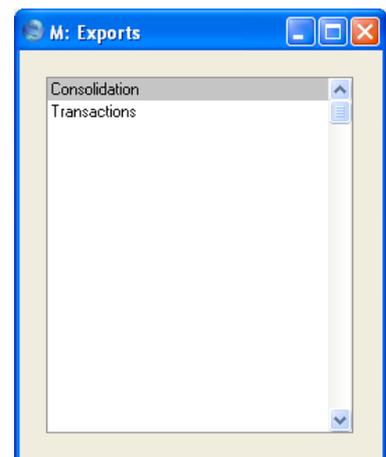
Period	Paste Special	Reporting Periods setting, System module
		The report will list all Transactions without Objects whose Transaction Date falls in the period entered here.
Company Code		If you run the report from the Mother Company with this field blank, it will contain separate sections for the Mother Company and each Daughter Company. If you specify a Daughter Company here, the report will contain one section for the Mother and one for the specified Daughter.
Missing Object	Paste Special	Object register, Nominal Ledger/System module
		If you want to list all Transactions that do not use a particular Object, enter that Object here. If you enter a number of Objects separated by commas, the report will list the Transactions that do not use any of those Objects.

Exports

Introduction

The 'Exports' function allows you to export information from your Hansa database to tab-delimited text files from where you can incorporate it in word processing programs for mailmerge, in spreadsheets for further statistical analysis or in page make-up programs for incorporation in publicity material or published reports. Alternatively, you can import the information into other Hansa databases or Companies using the 'Automatic' and 'Automatic, manual file search' import functions in the System module. Remember that Reports can also be printed to disk, so most of the information that is stored in Hansa is available to other applications via the medium of the text file.

To begin exporting, select 'Exports' from the File menu or click the [Exports] button in the Master Control panel. The window illustrated below appears. This lists the Exports that can be produced from the Consolidation module. Double-click the required item in the list. A specification window will then appear, where you can decide the contents of the exported text file. Click [Run], and a 'Save File' dialogue box will appear, where you can name the file and determine where it is to be saved.



Consolidation

Hansa's Consolidation module is designed so that information in Daughter Companies can be made available to certain reports in the Mother Company

without the need physically to transfer any Daughter Company information to the Mother Company. This makes it very easy to produce consolidated reports, and removes the risk of error inherent in copying information from one Company to another.

However, the requirement to have the Mother and Daughter Companies in the same database may not be practical in every case. Where this is so, you can use this function to export Transaction information from a Daughter Company to a text file. You can then import this text file to the Mother Company, which could be in a different database.

Before you use this function in a Daughter Company, it is recommended that you produce a Consolidation Report. This will show what will be included in the text file.

You should produce the export from each Daughter Company. You can then import each export file to the Mother Company using the 'Automatic' or 'Automatic, manual file search' Import options in the System module.

The file produced by this function will not contain individual Transactions. Instead, it will contain a single record, with balances for each Account. You can import this record to the Transaction register or to the Simulation register: if you are not using the Preliminary Transactions feature, it might be advisable to import to the Simulation register for final checking. You can easily convert the Simulation into a Transaction using the 'Transactions' function on the Operations menu of the 'Simulations: Browse' window.

The imported record will have a separate row for each Account balance. The balance of a Daughter Company Account that has a Consolidation Account specified will be posted to that Consolidation Account in the Mother Company. Otherwise, the balance will be posted to the Mother Company Account with the same Account Code as the Daughter Company Account. Any Accounts used in the export file but not present in the Mother Company will be added to the Mother Company's Account register.

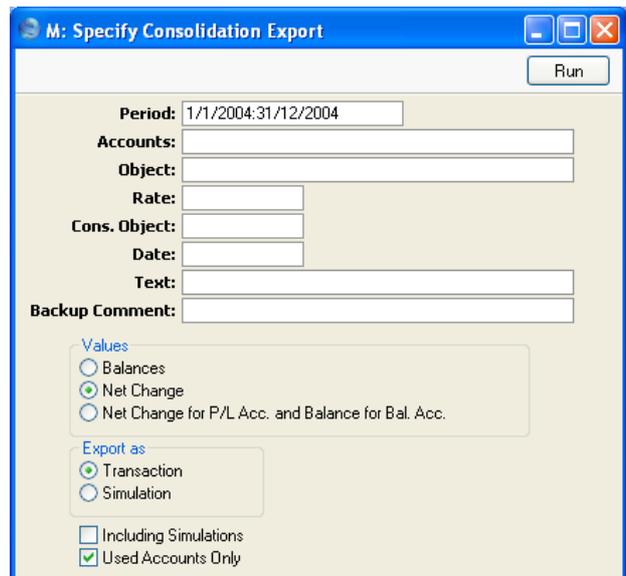
If you have used the Main Owner Percentage register to record partial ownership of the Daughter Company, the balance for each Account whose Reduce Minorities box has been checked will be reduced to the correct percentage.

Any Objects used in the Daughter Company will not be included in the export file. The imported record will not have any Objects, unless you specify one in the Cons. Object field in the 'Specify Consolidation Export' window.

If the record does not balance when it is imported, the import routine will add a balancing posting to the end of the Transaction or Simulation. This posting will use an Account created by the routine for the purpose, with an Account

Code of “9999”. This will most commonly occur when the Reduce Minorities box has been checked for some Accounts only.

If you are using different Currencies in the Mother and Daughter Companies, you must make sure that one Currency (the “Group Currency”) is used as a Base Currency in both Companies. In the Consolidation Settings in each Company, you should specify whether the Group Currency is being used as Base Currency 1 or 2 in that Company (as described above on page 11). All figures in the export file will be in the Group Currency. If you are using different Currencies and will be consolidating using this export function, it is recommended that you use the Mother Company for consolidation purposes only: it should not have any Transactions of its own.



Period	Paste Special	Reporting Periods setting, System module
		Enter the start and end dates for the period to be covered by the export, separated by a colon.
Accounts	Paste Special	Account register, Nominal Ledger/System module
	Range Reporting	Alpha
		Specify here the Accounts whose balances are to be included in the export file. Accounts will be included in the export file if their Account Code is within the

specified range but their Consolidation Account is outside this range.

Object	Paste Special	Object register, Nominal Ledger/System module
		<p>If you enter an Object here, the Account balances in the export file will be calculated from Transaction rows with that Object. If you enter a number of Objects separated by commas, balances will be calculated from Transaction rows featuring all the Objects listed.</p> <p>Note that the Object(s) specified here is used for search purposes only: it will not be included in the export file itself. If this is required, enter the Object(s) in the Cons. Object field below as well.</p>
Rate		<p>If the Mother Company has a different home Currency to the Daughter Company, enter an appropriate exchange rate here. The exchange rate should represent the quantity of the home Currency of the Mother Company that can be purchased with 100 units of the Currency of the Daughter Company. When the export is imported to the Mother Company, all Account balances will be converted to the Mother Company's home Currency using this exchange rate.</p>
Cons. Object	Paste Special	Object register, Nominal Ledger/System module
		<p>Any Object specified here will be attached to each Account balance in the record created when the export file is imported to the Mother Company. This means that it will be easy to report from the Mother Company on each Daughter Company using Objects. This might be useful if, for example, the Daughter Companies have different VAT Numbers.</p> <p>You can specify several Objects, separated by commas. If any Object specified is the head of an Object hierarchy, all members of the hierarchy will appear in the export file.</p>
Date	Paste Special	Choose date
		<p>When the export produced using this function is imported to the Mother Company, it will be as a record in the Transaction or Simulation registers (determined by</p>

the Export As options below). The date entered here will be used as the Transaction Date.

Text Enter here any descriptive text which will appear in the Text field of the Transaction or Simulation record when imported to the Mother Company.

Backup Comment Use this field to enter a description of the back-up file (up to 40 characters are permitted). This description will be shown in the list of importable files shown by the 'Imports' function.

Values Use these options to determine how the values contained in the export file are to be calculated.

Export as When the export file produced using this function is imported to the Mother Company, a record in the Transaction register or in the Simulation register will be created. Use one of these options to determine which.

Including Simulations

Click this check box if you want the calculation of the Account balances to be exported to include simulated transactions.

Used Accounts Only

Use this option to restrict the export to Accounts that have been used in the period specified. This includes Accounts that have balances brought forward from a previous period but that have not been used in the report period.

The 'Consolidation' Maintenance function

The 'Consolidation' Export function described above produces a text file containing Transaction information from a Daughter Company that you can then import into a Mother Company. The Mother Company does not have to be in the same database as the Daughter. If they are in the same database, you can reduce the two steps (exporting and importing) into one by using the 'Consolidation' Maintenance function instead.

As described earlier in this manual, the philosophy of the Consolidation module is that information in Daughter Companies can be made available to certain reports in the Mother Company without the need physically to transfer any Daughter Company information to the Mother Company. This makes it very easy to produce consolidated reports, and removes the risk of error inherent in copying information from one Company to another. The

'Consolidation' Maintenance function does physically transfer Daughter Company information to the Mother Company, in the interest of faster reporting. However, its use will require careful management as any changes made in a Daughter after information has been transferred will cause the Mother to be out-of-date. There is also nothing to prevent the Maintenance function being run more than once for a particular period.

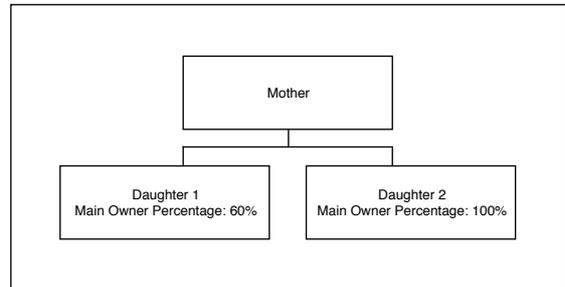
To run the Maintenance function from a Daughter company, first choose 'Maintenance' from the File menu, and then double-click 'Consolidation' in the resulting list. The following specification window opens—

This is identical to the 'Specify Consolidation Export' window described earlier with one exception: the To Company field. Enter here the Company Code of the Mother Company, as entered in the Code field in the Company register. Enter criteria in the other fields as described above and click the [Run] button. A new Simulation or Transaction will be created in the Mother Company containing account balance information copied from the Daughter.

Examples

Holding Company with two Subsidiaries

This example has the following company structure—



For simplicity and clarity, a single Transaction will be entered to each Company. This is the Transaction in the Mother Company—

M: Transaction: Inspect

Operations

No.: 1 Trans.Date: 1/12/2004 Reference:

Text: Sales (Mother Company)

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	100		Sales Type 1		2000.00	1
2	700		Bank Current Account	2000.00		
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Difference Base 1: Total:

Difference Base 2: Total:

A similar Transaction is entered in the first Daughter Company—

D1: Transaction: Inspect

Operations [New] [Duplicate] [Cancel] [Save]

No.: 1001 Trans.Date: 1/12/2004 Reference: []

Text: Sales (Daughter Company 1)

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	100		Sales Type 1		1400.00	1
2	700		Bank Current Account	1400.00		
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Difference Base 1: 0.00 Total: 1400.00 1400.00
 Difference Base 2: 0.00 Total: 2153.85 2153.85

We have used the same Accounts in both Transactions, but in the Account records in the Daughter Company we have specified Consolidation Accounts—

D1: Account: Inspect

[New] [Duplicate] [Cancel] [Save]

Account: 700 Name: Bank Current Account

Misc Texts

Auto.Trans.: [] SRU Code: []
 VAT Code: [] Consolidation Acc: 701
 Currency: [] Accrual: []
 Trans. Auto: []

Account Type: Asset Liability Equity Income Expense

Normal Amount: Debit Credit

Closed Group Account Reduce Minorities

This means that the Bank Accounts of the Mother and Daughter Companies will be separated when producing a consolidated Balance Sheet from the Mother Company. The Bank Account of the Daughter Company will be shown as 701, while that of the Mother Company will be shown as 700 as normal. Account 701 does not have to exist in the Daughter Company, but it must exist in the Mother Company. If it does not, the balance of the Daughter's Bank Account will not be included in consolidated reports.

In the Main Owner Percentage register of the Daughter Company, we specified that it was 60% owned by the Mother Company. As the Reduce Minorities box is checked, this means that 60% of the balance of the Daughter Company's Bank Account will be shown in consolidated reports produced from the Mother Company. However, for the purposes of the example, the Reduce Minorities box in the Sales Account (Account 100) in the Daughter Company is not checked. This means that the full balance of the Daughter Company's Sales Account will be shown in consolidated reports.

This is the Transaction entered in the second Daughter Company —

The screenshot shows a software window titled "D2: Transaction: Inspect". At the top, there are navigation buttons (back, forward), an "Operations" button with printer and monitor icons, and "New", "Duplicate", "Cancel", and "Save" buttons. Below these are input fields for "No.: 2001", "Trans.Date: 1/12/2004", and "Reference:". A "Text:" field contains "Sales (Daughter Company 2)".

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	100		Sales Type 1		300.00	1
2	700		Bank Current Account	300.00		
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

At the bottom of the window, there are summary fields:

Difference Base 1:	0.00	Total:	300.00	300.00
Difference Base 2:	0.00	Total:	461.54	461.54

Now we produce a Balance Sheet Report from the Consolidation module in the Mother Company. The Include Daughter Companies box in the 'Specify

Balance Sheet' window is not checked, so the balance on the Bank Account is calculated from the Mother Company's own Transaction only—

M: Balance Sheet

Operations Search

Balance Sheet Hansa, Print date: 28/12/2004 16:33
Mother Period 1/1/2004 : 31/12/2004
Last Reg Date 28/12/2004 Values in GBP
Exact Notation
Net Change
All used accounts
Preliminary transactions included

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	2,000.00	2,000.00
Total Cash in Hand & at Bank	0.00	2,000.00	2,000.00
Total Current Assets	0.00	2,000.00	2,000.00
Current Liabilities			
Net Current Assets	0.00	2,000.00	2,000.00
Total NET Assets	0.00	2,000.00	2,000.00
Profit/Loss this YTD	0.00	2,000.00	2,000.00
Total Equity & Reserves	0.00	2,000.00	2,000.00

When the Include Daughter Companies box in the 'Specify Balance Sheet' window is checked, the balance on the Bank Account is calculated from Transactions in all three Companies. For clarity, we have shown each Company's Bank Account separately (by specifying Consolidation Accounts in the Bank Accounts of both Daughter Companies, as described above)—

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	2,000.00	2,000.00
701 Bank Current Account (Daughter 1)	0.00	840.00	840.00
702 Bank Current Account (Daughter 2)	0.00	300.00	300.00
Total Cash in Hand & at Bank	0.00	3,140.00	3,140.00
Total Current Assets	0.00	3,140.00	3,140.00
Current Liabilities			
Net Current Assets	0.00	3,140.00	3,140.00
Total NET Assets	0.00	3,140.00	3,140.00
Profit/Loss this YTD	0.00	3,700.00	3,700.00
Total Equity & Reserves	0.00	3,700.00	3,700.00

The Net Change is calculated as follows—

$$\begin{array}{r}
 2,000.00 \quad \text{from M} \\
 + 1,400.00 \times 60\% \quad \text{from D1 (60\% owned by M)} \\
 + \underline{300.00} \quad \text{from D2} \\
 3,140.00
 \end{array}$$

The figure for Total Net Assets is different to that for Profit/Loss this YTD because the Reduce Minorities box is checked for the Bank Account in the first Daughter Company but not for the Sales Account. So, the Total Net Assets figure includes 60% of the first Daughter Company's Bank Account, but the Profit/Loss this YTD includes 100% of its Sales Account.

Next we produce a Profit & Loss Report from the Consolidation module in the Mother Company. The Include Daughter Companies box in the 'Specify Profit & Loss Report' window is not checked, so the balance on the Sales Account is calculated from the Mother Company's own Transaction only—

M: Profit & Loss
 Operations [Printer] [Clipboard] [Search]

Profit & Loss Hansa, Print date: 28/12/2004 16:37
Mother Period 1/1/2004 : 31/12/2004
Last Reg Date 28/12/2004 Exact Notation in %
 All used accounts
 Preliminary transactions included

	Period	Accumulated
Sales		
100 Sales Type 1	2,000.00	2,000.00
Total Sales	2,000.00	2,000.00
Gross Profit	2,000.00	2,000.00
Net Profit	2,000.00	2,000.00

When the Include Daughter Companies box in the 'Specify Profit & Loss Report' window is checked, the balance on the Sales Account is calculated from Transactions in all three Companies. Again, for clarity, we have shown each Company's Sales Account separately—

M: Profit & Loss
 Operations [Printer] [Clipboard] [Search]

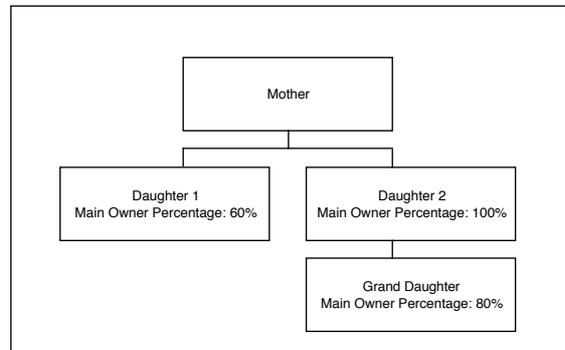
Profit & Loss Hansa, Print date: 28/12/2004 16:38
Mother Period 1/1/2004 : 31/12/2004
Last Reg Date 28/12/2004 Exact Notation in %
 All used accounts
 Preliminary transactions included
 Including Daughter Companies

	Period	Accumulated
Sales		
100 Sales Type 1	2,000.00	2,000.00
101 Sales Type 1 (Daughter 1)	1,400.00	1,400.00
102 Sales Type 1 (Daughter 2)	300.00	300.00
Total Sales	3,700.00	3,700.00
Gross Profit	3,700.00	3,700.00
Net Profit	3,700.00	3,700.00

As mentioned above, the Reduce Minorities box is not checked for the Sales Account in the first Daughter Company, so the report shows 100% from all Companies.

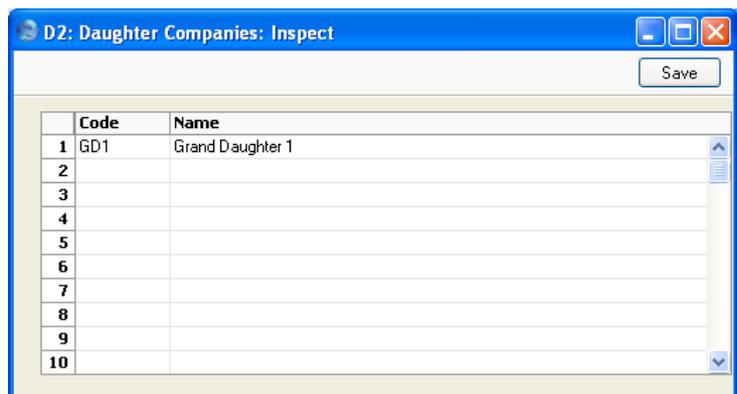
Subsidiary Company is itself a Holding Company

We now add a fourth Company to the example. This Company is 80% owned by the second Daughter Company —



If a Daughter company also owns part of another Company (or many companies), Hansa Consolidation supports this.

In the second Daughter Company, its ownership of the Grand Daughter Company is recorded in the Daughter Companies setting —



In the Grand Daughter Company, the Main Owner Percentage register is used to record that it is 80% owned by the second Daughter Company—

GD1: Main Owners Percentage: Inspect

Date: 1/1/2004

Percentage: 80.00

The following Transaction is registered in the Grand Daughter Company—

GD1: Transaction: Inspect

Operations

No.: 3001 Trans.Date: 1/12/2004 Reference:

Text: Sales (Grand Daughter 1)

	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	100		Sales Type 1		850.00	1
2	700		Bank Current Account	850.00		
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Difference Base 1: 0.00 Total: 850.00 850.00

Difference Base 2: 0.00 Total: 1307.69 1307.69

Working in the Consolidation module of the second Daughter Company, we produce a Balance Sheet without using the Include Daughter Companies option. The Transaction from the previous example makes up the balance of the Bank Account—

D2: Balance Sheet
 Hansa, Print date: 28/12/2004 16:52
 Daughter 2
 Period 1/1/2004 : 31/12/2004
 Last Reg Date 28/12/2004
 Values in GBP
 Exact Notation
 Net Change
 All used accounts
 Preliminary transactions included

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	300.00	300.00
Total Cash in Hand & at Bank	0.00	300.00	300.00
Total Current Assets	0.00	300.00	300.00
Current Liabilities			
Net Current Assets	0.00	300.00	300.00
Total NET Assets	0.00	300.00	300.00
Profit/Loss this YTD	0.00	300.00	300.00
Total Equity & Reserves	0.00	300.00	300.00

When the same report is produced using the Include Daughter Companies option, the balance is calculated from Transactions in the second Daughter Company and the Grand Daughter Company—

D2: Balance Sheet
 Hansa, Print date: 28/12/2004 16:53
 Daughter 2
 Period 1/1/2004 : 31/12/2004
 Last Reg Date 28/12/2004
 Values in GBP
 Exact Notation
 Net Change
 All used accounts
 Preliminary transactions included
 Including Daughter Companies

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	980.00	980.00
Total Cash in Hand & at Bank	0.00	980.00	980.00
Total Current Assets	0.00	980.00	980.00
Current Liabilities			
Net Current Assets	0.00	980.00	980.00
Total NET Assets	0.00	980.00	980.00
Profit/Loss this YTD	0.00	980.00	980.00
Total Equity & Reserves	0.00	980.00	980.00

The Reduce Minorities box is checked for the Bank Account in the Grand Daughter Company, so the Net Change is calculated as follows—

$$\begin{aligned}
 & 300.00 \quad \text{from D2} \\
 + & \frac{850.00}{x 80\%} \quad \text{from GD1 (80\% owned by D2)} \\
 & \underline{980.00}
 \end{aligned}$$

A Balance Sheet produced from the Mother Company using the Include Daughter Companies option will appear as follows—

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	2,000.00	2,000.00
701 Bank Current Account (Daughter 1)	0.00	340.00	340.00
702 Bank Current Account (Daughter 2)	0.00	980.00	980.00
Total Cash in Hand & at Bank	0.00	3,820.00	3,820.00
Total Current Assets	0.00	3,820.00	3,820.00
Current Liabilities			
Net Current Assets	0.00	3,820.00	3,820.00
Total NET Assets	0.00	3,820.00	3,820.00
Profit/Loss this YTD	0.00	4,380.00	4,380.00
Total Equity & Reserves	0.00	4,380.00	4,380.00

The Net Change is calculated as follows—

$$\begin{aligned}
 & 2,000.00 \quad \text{from M} \\
 + & 1,400.00 \quad x 60\% \quad \text{from D1 (60\% owned by M)} \\
 + & 300.00 \quad \text{from D2} \\
 + & \frac{850.00}{x 80\%} \quad \text{from GD1 (80\% owned by D2)} \\
 & \underline{3,820.00}
 \end{aligned}$$

Note that Account 702 is calculated from the balances of the Bank Accounts in both the second Daughter Company and the Grand Daughter Company.

The Profit & Loss Report produced from the Mother Company using the Include Daughter Companies option will appear as follows—

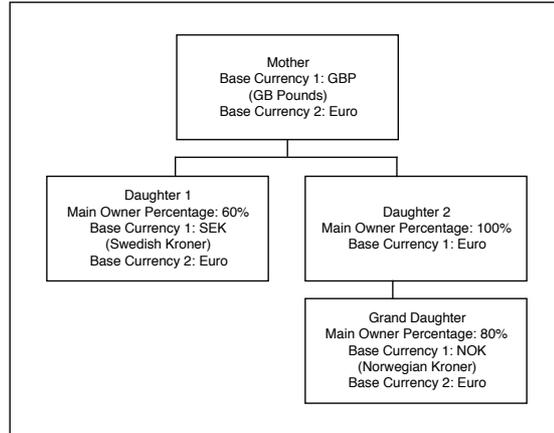
		Period	Accumulated
Profit & Loss			
Mother		Hansa, Print date: 28/12/2004 16:55	
Last Reg Date 28/12/2004		Period 1/1/2004 : 31/12/2004	
		Exact Notation in %	
		All used accounts	
		Preliminary transactions included	
		Including Daughter Companies	
Sales			
100	Sales Type 1	2,000.00	2,000.00
101	Sales Type 1 (Daughter 1)	1,400.00	1,400.00
102	Sales Type 1 (Daughter 2)	980.00	980.00
Total Sales		4,380.00	4,380.00
Gross Profit		4,380.00	4,380.00
Net Profit		4,380.00	4,380.00

The Reduce Minorities check box has been switched on for the Sales Account in the Grand Daughter Company, so the Total is calculated as follows—

2,000.00	from M
+ 1,400.00	from D1 (60% owned by M, Reduce Minorities off)
+ 300.00	from D2
+ <u>850.00</u> x 80%	from GD1 (80% owned by D2, Reduce Minorities on)
4,380.00	

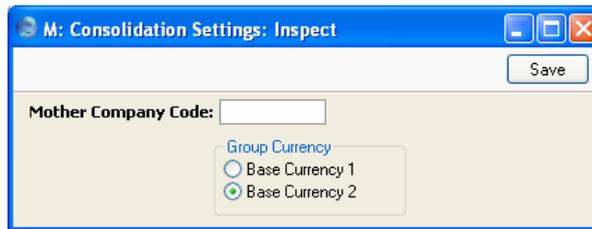
Currencies

In this example, the following Base Currencies have been chosen for each Company—



One Currency must be in use as a Base Currency in all Companies. In this case, it is the Euro. This is known as the “Group Currency” and is the Currency that will be used in consolidated reports.

In the example, the Euro is used as Base Currency 2 in three of the four Companies, and as Base Currency 1 in the second Daughter Company. In the Consolidation Settings in each Company, it should be specified whether the Euro is being used as Base Currency 1 or 2 in that Company—



Flip B of the Transaction in the Mother Company shows its value in both Currencies—

M: Transaction: Inspect

Operations

No.: 1 Trans.Date: 1/12/2004 Reference:

Text: Sales (Mother Company)

	Account	Objects	Base 1 Debit	Base 1 Credit	Base 2 Debit	Base 2 Credit
1	100			2000.00		3076.92
2	700		2000.00		3076.92	
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Difference Base 1: Total:

Difference Base 2: Total:

The values of the Transactions in the other Companies are as follows—

Company	Base Currency 1	Base Currency 2
Daughter 1	SEK 1500.00	EUR 155.56
Daughter 2	EUR 70.59	
Grand Daughter	NOK 850.00	EUR 100.00

In a Balance Sheet produced from the Mother Company using the Include Daughter Companies option, all figures will be in the Group Currency (Euros)—

	Fwd Balance	Net Change	Balance
Current Assets			
Cash in Hand & at Bank			
700 Bank Current Account	0.00	3,076.92	3,076.92
701 Bank Current Account (Daughter 1)	0.00	93.34	93.34
702 Bank Current Account (Daughter 2)	0.00	150.59	150.59
Total Cash in Hand & at Bank	0.00	3,320.85	3,320.85
Total Current Assets	0.00	3,320.85	3,320.85
Current Liabilities			
Net Current Assets	0.00	3,320.85	3,320.85
Total NET Assets	0.00	3,320.85	3,320.85
Profit/Loss this YTD	0.00	3,383.07	3,383.07
Total Equity & Reserves	0.00	3,383.07	3,383.07

The Euro figures are taken straight from the Daughter Companies, so the balance for the three Bank Accounts is calculated as follows—

3,076.92		from M
+	155.56 x 60%	from D1 (60% owned by M)
+	70.59	from D2
+	<u>100.00</u> x 80%	from GD1 (80% owned by D2)
3,320.85		

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