I guarantee consistency on restructuring provisions figures

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
    - Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore
    - Unit and Domain according to the List of labels to be used in the Finance Service Line space
        - **E.g. 1:** WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
            - Labels to be used: ***ww, financial_accounting, central_fin_proc_compliance***
        - **E.g. 2:** France Operation in Financial Accounting:
            - Labels to be used: ***country_accounting, france, financial_accounting***
              (for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Once the description of the operation is completed, ensure it is approved and published by launching the SBS-Finance approval workflow

Domain: Central Finance Processes & Compliance	**Responsibility area:** Ensure figures reporting

Table of contents

Scope

WW

ERP

PF1 WP1

Frequency

M

References

SAP FBL3N/ KE24

Forms

Attachments

8. Add the link to attachments or external links

https://FinancialConsolidation.solvay.com/FCprod-XL

SAP vs BFC vs CALAME template files

I analyze the different movements on restructuring provision accounts << I guarantee consistency on restructuring provisions figures >> *I upload the restructuring provisions to BFC*

1. Objective and Scope

1.1 Objective of this Operation

The aim of this operation is to guarantee the consistency of the figures within Balance Sheet and Income Statement.

1.2 Scope

All PF1 and WP1 impacted by Restructuring provisions.

2. Definitions

See Finance Glossary

3. Tasks description

Restructuring costs include:

- severance pay
- compensation for the early termination of operating leases, and
- all exit costs arising from restructurings, including impairment losses recognized on discontinued assets due to the closure of a site or operation.

They are recognized net of reductions in employee benefits already accrued, in case of loss of these benefits by employees.

Restructuring expenses of the period excluding depreciation (R45100)
These are actual restructuring expenses, which relate to existing provisions (made in previous periods).
Are included, the following expenses types:

- Staff costs and other social costs:
  - severance indemnities (for involuntary or voluntary leave)
  - indemnities for a previous notice not worked
  - leave reclassification
  - grants and aids in the creation of enterprises
  - outplacement costs
  - expertise costs of an audit firm
  - professional fees
  - etc...
- Charges (gains) associated with a shutdown (site, production unit, activity, commercial and administrative offices), causing the cessation of a going concern at the site level:
  - rent/lease and contract termination fees
  - destruction and restoration costs
  - gains from the sale of destruction materials (e.g.: scrap metal)
  - professional fees

Use of restructuring provisions (R45200)
This relates to the use (cash-out) made on restructuring provisions relating to period expenses (expenses reported under R45100).
Notes:

- R45200 should always correspond to the opposite amount posted on R45100.
- The corresponding heading of R45200 in the statement of financial position is "L45800 - short-term provisions for restructuring"

Restructuring provisions (R45300)
In here are reported the full charges of these provisions in the P/L (without cash counterpart):

- the new provisions (new measures)See above under R45100 for the related expenses types.
- The restructuring provisions are reviewed quarterly with the cost controllers.

Notes:

- The corresponding heading of R45300 in the statement of financial position is "L15800 / L45800 - long-term / short-term provisions for restructuring".
- Before reported new restructuring provisions, the agreement from the Consolidation Department is required in order to ensure these provisions relate well to a restructuring plan and not a recovery plan (competitive plan).

3.1. I perform SAP vs BFC check

I perform the SAP vs BFC check to guarantee the consistency of the figures as below:

Inside of SAP, in order to avoid blocking controls when uploading data to BFC tool, I must ensure that:

BS flow F24 must be reconciled with PL heading R45300.

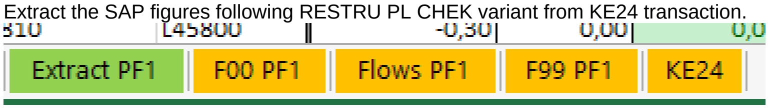
BS flow F35 must be reconciled with PL heading in R45100 and R45200. The sum of R45100/R45200 must be equal to 0.

BS flow F37 must be reconciled with PL heading R45300.

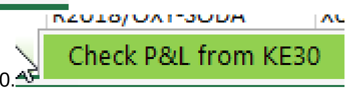
Other flows like F70, F31, F50 are used but not subjected to cross linking.

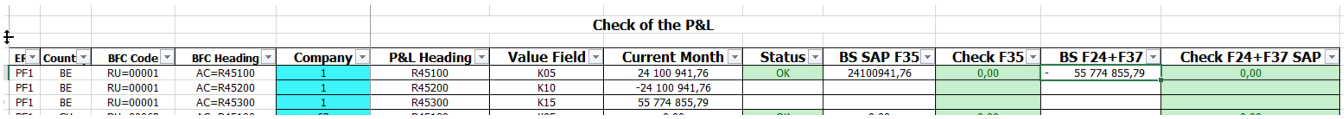
To make it easier, I follow the steps enclosed to the SAP vs BFC vs CALAME check file attached.

- Extract the SAP figures following RESTRUCT CHECK variant for the Balance Sheet part;
- Paste the information in the several sheets, F00 for the opening items of the 01.01.YYYY; Flows XXXX for the all items of the YYYY; F99 for the opening items 31.12.YYYY
- Extract the SAP figures following RESTRU PL CHEK variant from KE24 transaction.



- Comparison between BS and PL will be available in sheet Check PL from KE30.

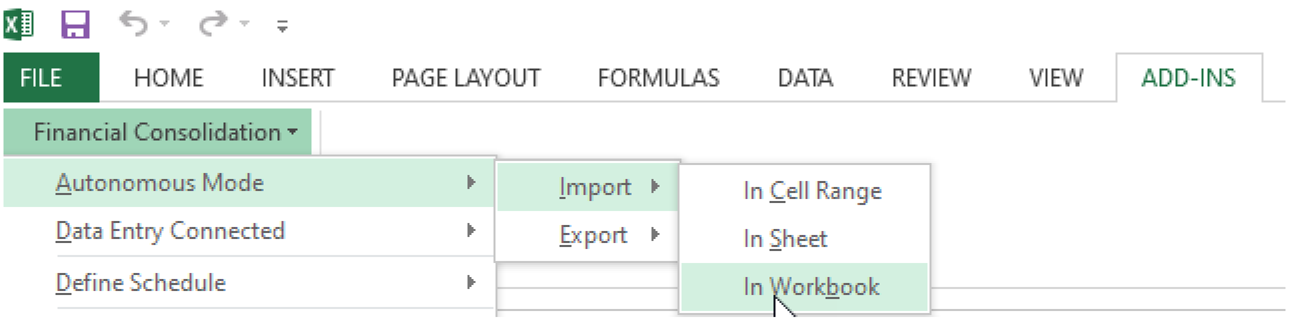




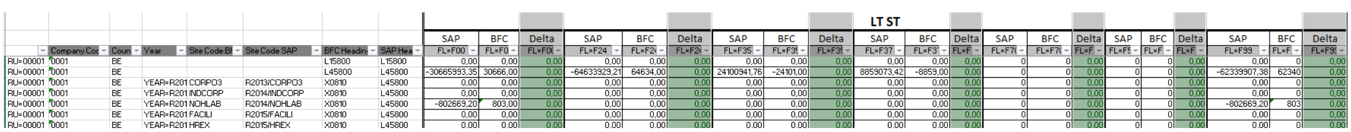
Check of the P&L

EF	Count	BFC Code	BFC Heading	Company	P&L Heading	Value Field	Current Month	Status	BS SAP F35	Check F35	BS F24+F37	Check F24+F37 SAP
PF1	BE	RU=00001	AC=R45100	1	R45100	K05	24 100 941,76	OK	24100941,76	0,00	55 774 855,79	0,00
PF1	BE	RU=00001	AC=R45200	1	R45200	K10	-24 100 941,76					
PF1	BE	RU=00001	AC=R45300	1	R45300	K15	55 774 855,79					

- After the upload to BFC tool, I can run the add-in Financial Consolidation and retrieve the information in BFC.



- Compare the results in sheet SAP vs BFC, column DELTA.



	Company Coc	Coun	Year	Site Code Bf	Site Code SAP	BFC Headin	SAP Hea	SAP FL=F00	BFC FL=F0	Delta FL=F0	SAP FL=F24	BFC FL=F2	Delta FL=F2	SAP FL=F35	BFC FL=F3	Delta FL=F3
RU=00001	0001	BE				L15800	L15800	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
RU=00001	0001	BE				L45800	L45800	-30665993,35	30666,00	0,00	-64633929,21	64634,00	0,00	24100941,76	-24101,00	0,00
RU=00001	0001	BE	YEAR=R201	CORPO3	R2013/CORPO3	X0810	L45800	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
RU=00001	0001	BE	YEAR=R201	INDCORP	R2014/INDCORP	X0810	L45800	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
RU=00001	0001	BE	YEAR=R201	NOHLAB	R2014/NOHLAB	X0810	L45800	-802669,20	803,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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RU=00001	0001	BE	YEAR=R201	HREX	R2015/HREX	X0810	L45800	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

	LT ST											
	SAP FL=F37	BFC FL=F3	Delta FL=F	SAP FL=F7(	BFC FL=F7(	Delta FL=F	SAP FL=F5	BFC FL=F	Delta FL=F	SAP FL=F99	BFC FL=F	Delta FL=F9
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Check the template file identified above.

End of document.