

DIC Asset AG Consolidates Quickly and Accurately

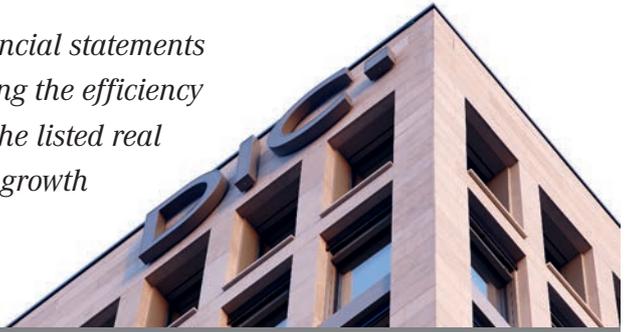
Fast Close at a listed real estate company

BEST PRACTICE



Efficient and Reliable Consolidated Financial Statements

DIC Asset AG has replaced its preparation of consolidated financial statements in Microsoft Excel with IDL.KONSIS, thus significantly improving the efficiency and quality of its annual and quarterly financial statements. The listed real estate company is thus also optimally positioned for its further growth course in terms of its external reporting and investor relations.



DIC Asset AG is one of Germany's leading listed real estate companies and specializes in commercial real estate. The company has around 20 years of experience in the German real estate market and is represented at six locations in all important regional markets. The real estate assets under management currently amount to around 180 properties with a market value of around EUR 3.4 billion. DIC Asset AG, as the owner and portfolio holder, concentrates on generating income from its own real estate portfolio. It also acts as an issuer and manager of special real estate funds for institutional investors. In doing so, the company uses its own integrated asset management platform in order to leverage value enhancement potential in its business segments and increase earnings. This market presence and experience creates the basis for maintaining and increasing earnings and real estate values. DIC Asset AG has been listed in the SDAX since June 2006 and is represented in the international EPRA index of the most important real estate companies in Europe.

Consolidated financial statements for 180 companies

Under these circumstances, high expectations are placed on the consolidated financial statements. Fast Close, for example, is one of the central objectives in accounting, which could hardly be achieved with the previous consolidation solution. The consolidated financial statements for approx. 180 companies, of which 167 are fully consolidated and 13 accounted for using the equity method, were previously prepared quarterly in Microsoft Excel. DIC Asset AG wanted to replace this Excel reporting with a professional consolidation solution in order to make accounting more efficient and at the same time increase the quality of the financial statements. As an important component of the Fast Close strategy, the new system solution was to ensure the preparation and publication of the annual financial statements by February of the following year.

The project managers from Accounting started the software evaluation with exact expectations and opted for IDL.KONSIS because the solution had all the consolidation functions they needed. The consolidation monitor, from which all

postings are initiated, and which always provides an up-to-date overview of the consolidation status, seemed particularly advantageous to the team. It was also deemed helpful that IC reconciliations from the individual financial statement view as well as for all companies are possible in advance and that any number of parameters can be created for the consolidation – also on an account basis.

»The system-supported IC reconciliation in advance saves us a lot of time and ensures transparency.«

The financial experts at DIC Asset AG were also impressed by the comprehensive, easy-to-use reporting functionality. The advantages mentioned by the team include the individual creation of consolidated balance sheets and income statement structures, the creation of new statement items, the assignment of existing accounts, copy functions for existing structures, the convenient drag & drop function and the possibility of comparing different report versions.



Integrated processes and systems

The project team was supported by IDL consultants during the introduction of the software. Together, the team mapped the accounting framework in the system and also set up the interface to the previous Microsoft Dynamics NAV system. The main challenges during implementation were the data migration from Excel for the previous years and the mapping of a multi-level consolidation. Just five months after the kickoff, the quarterly financial statements for the Group could be prepared live in the system. While the balance sheet and income statement were already generated in IDL in accordance with IFRS, the key figures were still created using Excel. The IDL.XLSLINK functions were used to support this.

»FI data is automatically transferred from Microsoft Dynamics NAV.«

Today, IDL.KONSIS is seamlessly integrated into the process and system landscape of DIC Asset AG, so that the preparation of annual financial statements and quarterly financial statements is carried out efficiently in the interaction of the systems. The individual and subgroup financial statements are prepared in Microsoft Dynamics NAV in accordance with the German Commercial Code (HGB) and the data is transferred from there to the consolidation system at subgroup level. IDL.KONSIS then consolidates the group according to HGB with subsequent reconciliation according to IFRS. Reports from IDL.KONSIS are also used for the notes.

The information from IDL.KONSIS forms the basis for external reporting. The controlling department can also use the information for internal reporting. DIC Asset AG's auditor also has read-only access to the system, which considerably simplifies the closing and audit processes.

Consolidated financial statements improved and accelerated

The advantages of system-supported consolidation come to bear in a wide variety of places: With the interface to the previous Microsoft Dynamics NAV system, manual entry of FI data in Excel is no longer necessary. The previously manually performed balance carryforwards are now also automated, including validation. This means time savings of one to two working days per consolidated financial statement and significantly reduced sources of error.

Helpful system functions such as simple navigation via the group monitor to consolidation entries ensure transparency and support the reconciliation processes. The IC reconciliation with the receipt of results in the same phase, non-compensable input tax and elimination of interim results, previously a complex accounting task, is now available in advance at the push of a button.

Improved data structures and data quality have also increased the reliability and quality of the financial statements. Furthermore, the responsible group employees appreciate the extensive reporting options, which support evaluations such as the determination of non-compensable input tax simply via convenient filter functions, for example.

The project team from Accounting will continuously expand the application. The next steps are further reports, the integration of more groups and the implementation of segment reporting.

In 2017, DIC Asset AG was the first listed real estate company to publish its 2016 Annual Report on February 23.



»With IDL.KONSIS, we have increased the transparency, efficiency, quality and reconcilability of our consolidated financial statements.«

Dirk Oehme,
Head of Finance & Accounting
DIC Asset AG



The company

DIC is one of Germany's leading listed real estate companies, specializing in commercial real estate. With around 20 years of experience in the German real estate market, the company has six locations in all major regional markets in Germany and manages around 180 properties with a market value of around EUR 3.4 billion. With its hybrid business model, DIC Asset AG focuses on the Commercial Portfolio, Funds and Other Investments divisions. In doing so, the company uses its own integrated asset management platform to leverage potential for value appreciation in the business segments and increase earnings.

In the Commercial Portfolio division (EUR 1.7 billion assets under management), DIC acts as the owner and portfolio holder and generates income from the management and value optimization of its own real estate portfolio. The Funds division (EUR 1.3 billion assets under management) generates income from its activities as an issuer and manager of special real estate funds for institutional investors. The Other Investments division (EUR 0.4 billion assets under management) combines joint venture investments, shareholdings in project developments, strategic financial shareholdings and the management of real estate without its own stake.

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The solution

Listed companies have particularly high expectations of accounting. DIC Asset AG has replaced its Excel-based consolidation with IDL.KONSIS in order to meet requirements such as Fast Close consolidated financial statements. The professional consolidation solution enabled reporting to be optimized considerably in seamless interaction with Microsoft Dynamics NAV. This ensures the timely publication of annual and quarterly financial statements. In the area of investor relations, as well, DIC Asset AG is now ready to provide information at any time based on current, transparent and valid information.

The technology

IDL.KONSIS

IDL.XLSLINK

Feeder system: Microsoft Dynamics NAV

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