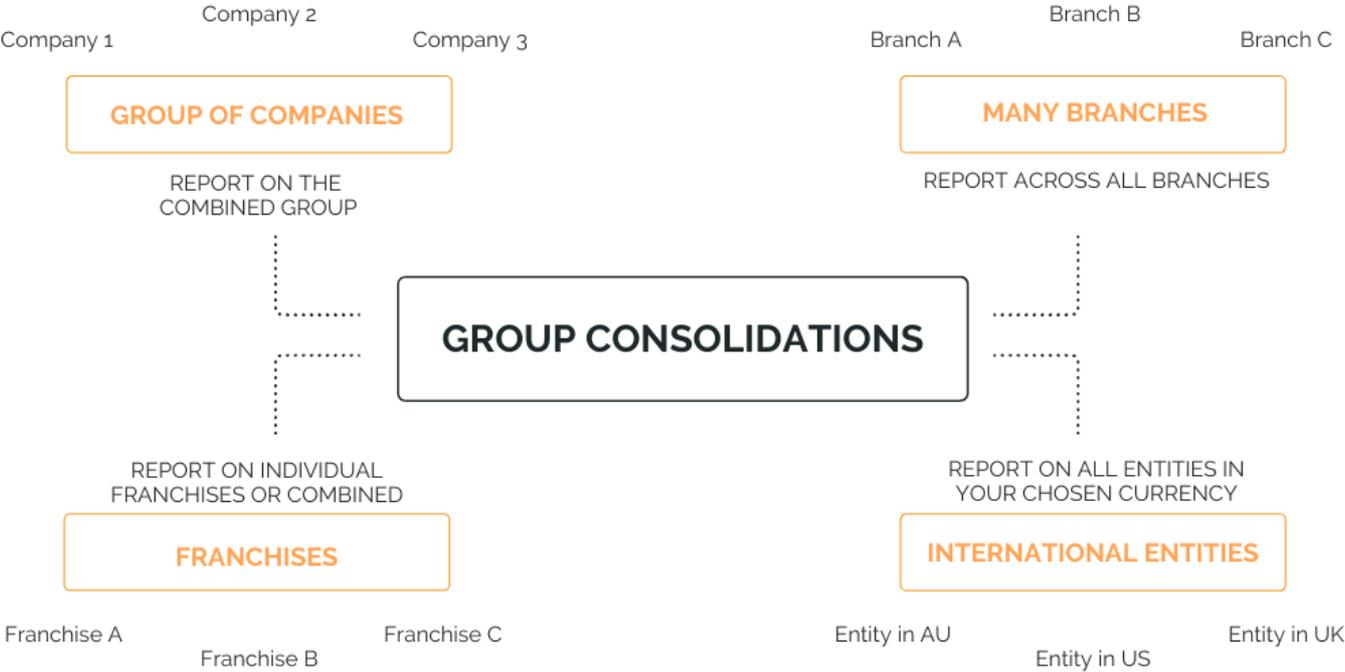




# Group Consolidation Reporting

A practical getting started guide to Group Consolidations with Calxa.



## Table Of Contents

Group Consolidation Reporting	<b>1</b>
Table Of Contents	<b>2</b>
The Challenge of Consolidations	<b>5</b>
Who Needs Consolidations	<b>7</b>
Getting Started	<b>8</b>
Group your Companies	<b>10</b>
One or many Organisation Groups?	<b>12</b>
Common Account Structure	<b>13</b>
Inter-Company Eliminations	<b>16</b>
Multi-Currency Consolidation	<b>19</b>
Consolidation with Partial Ownership	<b>21</b>
Top Reports for Multi-Company Consolidations	<b>22</b>
Getting More Help	<b>29</b>

## The Challenge of Consolidations

### The Challenge

Reporting across a whole group of companies is challenging at the best of times but Calxa can help to simplify the process. After some initial setup and preparation, you'll be able to schedule the delivery of reports each month with minimal manual intervention.

## Consolidations with Calxa

Connect Calxa to multiple accounting files and choose from the full range of Calxa report templates.

- This includes statutory reports such as Profit & Loss (Income Statement), Balance Sheet (Statement of Financial Position) and a Statement of Cashflow.
- For management reports there is a choice of reports to compare actuals to budgets in different ways for a financial year or across financial years.
- And let's not forget forecasting: producing a consolidated cashflow forecast is vital for any group CFO (along with a matching Balance Sheet Forecast and P & L Forecast) for up to 10 years ahead.

Calxa connects to Xero, QuickBooks Online and MYOB accounting data and can consolidate any combination of sources. It makes setup quicker if the Chart of Accounts is the same in each file but it's certainly not essential.

Currently (early 2020) we have a simple approach to multi-currency consolidation with a single Consolidation Rate for each entity. Full multi-currency consolidation will be available in the 2<sup>nd</sup> quarter of 2020.

## Who Needs Consolidations

### Making Consolidation Reporting Easier

Calxa is a useful consolidation tool for:

- The accountant or Chief Financial Officer of any group of companies;
- A business owner with 2 or more entities who wants combined reports;
- A group CFO wanting consistent management reports across all entities;
- A franchisor wanting to report on one, some or all franchises and to rank them;
- An accountant or advisor assisting any of the above.

## Getting Started

To assess if Calxa is the right solution for your consolidated reporting, start with the free trial. The sign-up process will step you through adding your first company and then you can add more.

### Adding more Entities

In Calxa, go to Settings, Billing & Admin, Subscription Admin to add new organisations. Select Add Organisation and follow the steps to connect to your next accounting file. You will find it a similar process to the initial sign-up.

Be sure to add each company to the same Workspace. We will have automatically created the first Workspace for you so you wouldn't normally need to create one at this stage.

### Add more Users

If you want to share access to Calxa, this is probably a good time to do it, while you're in the Admin area. You can add your colleagues as either a Co-Owner (which gives them full permission on everything except Billing) or a Workspace User (and then you'll need to set their permissions before they can do anything). You can also invite an external accountant as a Free Advisor (and they don't count towards your subscription capacity).

## Calxa Terminology

- **Organisation** is the generic term we use to cover companies, trusts, sole traders – essentially, it's a connection to one accounting data source.
- **Workspace** is a container for organisations. Most people manage perfectly well with all companies in the same workspace. To consolidate a group of companies they *must* be in the same workspace. If you're an accountant in practice, it is easier to manage large numbers of organisations if they're grouped in separate workspaces (just remembering that any that need to be consolidated should be in the same workspace).
- **Organisation Currency** is the currency used in the accounting file and can't be changed in Calxa.
- **Base Currency** – you can set this for the Workspace. All exchange rates are set against this currency.
- **Reporting Currency** will be set for each Organisation Group. To report in an alternate currency, simply create an extra Organisation Group.

## Group your Companies

Once you've added 2 or more companies, you're ready to create your first Organisation Group and start looking at some reports.

### How and where to create an Organisation Group

You create organisation groups under Reports, Report Tools. When you are configuring a report in the Report Builder, you select your group from the drop-down at the top left. You can also edit existing groups from here for convenience.

## What's in an Organisation Group?

Your group needs a name (which must be unique to identify it in lists) and an alternate name to show in reports. Then choose the reporting currency (which can be any currency you've added in Exchange Rates). Select either Actual Rates or an exchange rate scenario to use for budget reporting. Actuals are always reported using Actual Rates.

Add each company to the group in turn (the sequence doesn't matter). Then choose the budgets and Account Trees to use if you have them set up already.

## Budgets

You need to select a main budget for each company to use any reports that derive data from budgets (including the cashflow forecast). If you haven't set up a budget yet, use the Auto-Budget option so that you can see some numbers on your reports. You can easily change it later.

The alternate budget is optional but useful where you want to compare actuals to an initial budget to a current forecast – or on something like the **Cashflow Scenarios Chart** when you want to compare the cashflow effect of 2 budget scenarios as part of your decision-making.

## Account Trees

With Account Trees you can group and summarise your accounts independently of the way they are set up in your accounting system. By creating a common set of Header accounts, you can build a structure that works across your entire group even if the Chart of Accounts is different in each company (and this is especially useful if you are using a mix of accounting systems with different account formats). As you'll see when we discuss Eliminations, they make it easy to remove inter-company transactions from your reporting.

## One or many Organisation Groups?

If your reporting needs are simple, one Organisation Group may be all you need (and it's certainly enough to start exploring Calxa's reports).

There are times when it makes sense to have more than one group though:

- You want to report on a subset of your entities (just the branches in New Zealand, for example)
- You want to report with a different budget or a different Account Tree. Simply copy the first group (from the Selected Group drop-down list) and make the changes you need.
- You want to report on your group in another currency. Again, simply copy the group and give the new one a different name and currency. You could do the same to use an alternate exchange rate scenario for your budgets.

## Common Account Structure

The default behaviour when consolidating companies in Calxa is to summarise accounts where there is an exact match of account number and account name.

**Exact** here is very precise. The account number must be exactly the same and so does the account name, including the case. Watch out for additional spaces between words as these can be hard to spot on a screen.

If the accounts do match, we will add the amounts together. If the accounts aren't precisely the same, we will add a line for each account.

### Grouping your Accounts

Where your accounts are different, or you want to summarise them differently to the way they are set up in the accounting system, create an Account Tree in one company and then copy it to the others. You'll find Account Trees under My Workspace, Settings, Account Trees. The easiest way to start is to copy your existing structure.

## Categories and Headers

A category is a top-level grouping (where Income, Expenses, Assets are) and has the option to include a Running Total. This gives you the ability to add in sections for things like Variable Costs with a Contribution Margin or subtotals for EBITDA, EBIT, etc. Use a hidden category if you want to exclude a group of accounts from your reports.

Headers group accounts within a category. Use them to create a common structure across your group, dragging the detail accounts onto each Header. Dragging one Header onto another will make it a Sub-Header of the first so you can have a hierarchical structure with multiple levels.

## Copying Account Trees

Once you've created the Account Tree in one company, copy it to the others. Where accounts in the other companies match exactly, they will be automatically allocated to the same Headers and Categories. Switch companies to check each of them. Any unallocated accounts that haven't matched automatically will be in the left-hand column and you can drag them easily to the correct Header.

See the next section on how to use Account Trees for inter-company eliminations.

## Inter-Company Eliminations

When running reports for multiple organisations, you want to see the overall results for the group as it relates to the outside world. You don't want to inflate the numbers with transactions between the group members. There's sometimes significant trading between group companies so these transactions need to be managed well.

### The Golden Rules

If you want to make your eliminations as easy as possible, follow these practices in your accounting system:

- Have separate Income, Cost of Sales and Expense accounts for inter-company transactions. Don't mix them with external transactions.
- Have a separate loan account for each entity.
- Pay inter-company invoices at the end of each month – either through the bank or through the loan accounts. Leaving them in your Debtors or Creditors accounts will complicate your reporting.
- Reconcile the inter-company loan accounts each month.

## Account Tree Headers for Eliminations

If you've followed the Golden Rules above, you can eliminate your inter-company transactions very easily with a Header (or 2) in your Account Tree. Simply add a new Header (call it something like Inter-company Eliminations) and set the Summary Only option. This will ensure that, whatever level of detail you run your reports, it will only ever display as one line. And if your inter-company transactions balance, that line should be all zeroes and thus excluded from the report. If this line does show on the report, it signals an error or omission in the transactions.

Drag each of your inter-company accounts onto this Header and they will be excluded from your reports. Some people like to create one Elimination Header for their P & L accounts, another for the Balance Sheet accounts. As you can move accounts from any category to another, that's a matter of personal preference.

## Account Tree Categories for Eliminations

If your companies use different currencies and you're using our simple multi-currency Consolidation Rate, it's possible that, because of variances from that rate for actual currency fluctuations, there are small discrepancies each month if you use the Account Tree Header method. The way to remove them is to create a new Category for Eliminations and turn off the Show in Reports option. Drag all inter-company accounts onto this category and they will not appear on your reports.

## Partial Eliminations

If you're not able to follow our Golden Rules and some of your accounts have a mix of inter-company and external transactions it doesn't make sense to fully eliminate that account. This often happens in businesses using inventory systems where items are tied to an account code but could be sold to either an external or internal customer.

In this case, the best solution is to mimic the old-fashioned manual elimination journal entry that sits outside any of the existing companies. Use an additional accounting file (usually this can be the simplest, cheapest provided by your software provider) and enter journals each month for the inter-company components. Budget against this company for future anticipated transactions.

It may be that you can still separate the inter-company loan accounts and use the Account Tree Header to manage those and then you only need to manually work with the P & L accounts.

## Multi-Currency Consolidation

### Multi-Currency Terminology

- **Organisation Currency** – this is the currency used in the accounting file and can't be changed in Calxa.
- **Base Currency** – you can set this for the Workspace. All exchange rates are set against this currency.
- **Reporting Currency** – this will be set for each Organisation Group. To report in an alternate currency, simply create an extra Organisation Group.

### Exchange Rates

Edit exchange rates in Reports, Report Tools, Exchange Rates. Start by setting your Base Currency and the date range you are interested in. We automatically add in rates that are used as an Organisation Currency but you can add additional rates for reporting purposes.

Actual Rates are automated from the European Central Bank for both P&L (average rate for the month) and Balance Sheet (closing rates). You have the option to override these where they differ from the rates you have actually used.

You can do all your reporting using the Actual Rates, including for budgets and forecasts. The future periods simply assume the current rate will continue. You also have the option of creating your own exchange rate scenarios so that you can evaluate the effect of possible changes on your business and your cashflow.

### Consolidation with Partial Ownership

Do you have one or more companies in the group that is only partially owned? In the Organisation Group, set the Ownership % to the proportion of ownership. All amounts for this company are then multiplied by this rate.

By creating 2 Organisation Groups (one with each company set to 100%) you can see results both for the group as a whole and for just your part of it.

## Top Reports for Multi-Company Consolidations

Every report in Calxa can be run for an organisation group but some are of special interest to customers in this area. We've selected some of the most popular reports which will give you a good starting point. Once you've attached your organisation group to the report template and filtered it the way you want it, add it to a Report Bundle for easy delivery in the future.

### Report Bundles

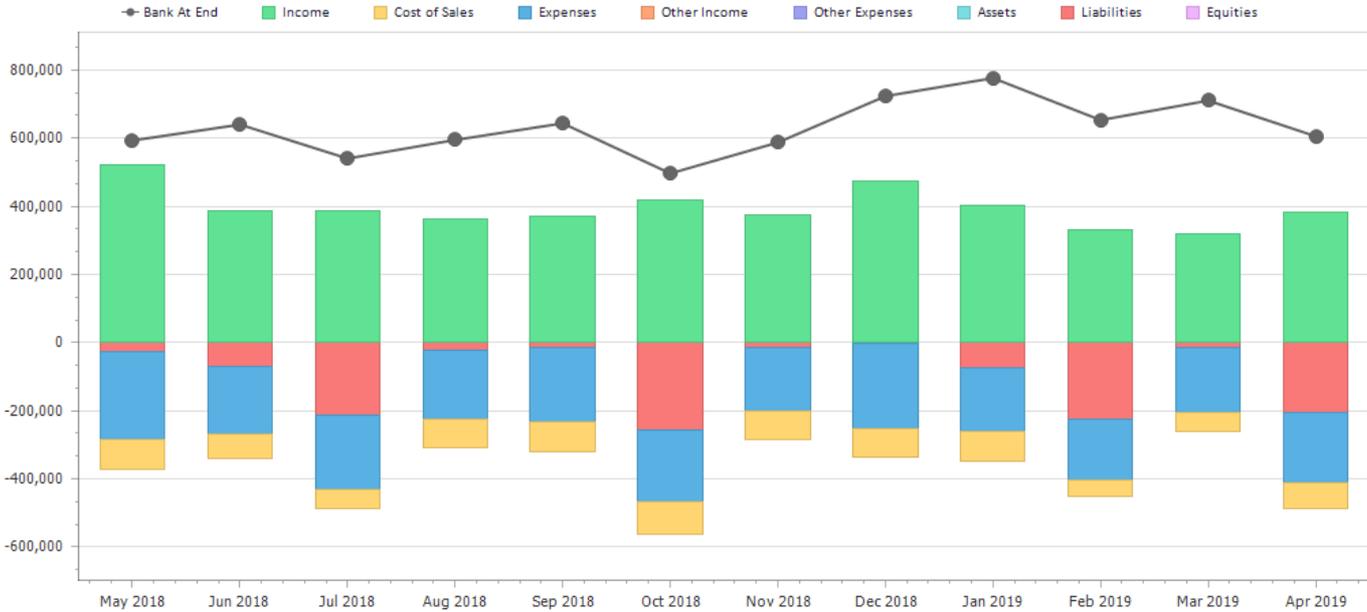
A report bundle is a collection of one or more reports, and we recommend you create one bundle for each audience you have. For example, this could be one for the CEO, one for the CFO, one for the board, one for each company manager. It's easy to copy an entire bundle (and then make adjustments) or to copy a report from one bundle to another.

Calxa gives you lots of choice and flexibility in your reporting but we don't want you to have to repeat the same choices month after month. By saving a report to a bundle, you save all its configuration so that each month, the only thing you should need to change is the Report Month. You can also use Workflows to schedule delivery of report bundles to a list of email addresses on your chosen day and time each month.

### Cash Flow Forecast Chart

#### Consolidated Cashflow — NSW Branch; QLD Branch; VIC Branch

MAY 2018 — APR 2019



## Cash Flow Forecast Report

### Cashflow Summary — All Shops

JAN 2020

	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total
<b>Bank at Beginning</b>	<b>682,540</b>	<b>912,462</b>	<b>791,616</b>	<b>1,137,859</b>	<b>1,215,811</b>	<b>1,221,832</b>	<b>1,317,236</b>	<b>1,462,554</b>	<b>1,426,309</b>	<b>1,253,451</b>	<b>1,025,969</b>	<b>1,197,926</b>	<b>682,540</b>
<b>Income</b>													
Grants	339,811	426,825	425,950	415,667	423,196	414,370	363,802	326,470	254,476	323,068	385,634	352,662	4,451,932
Fundraising - Gifts	1,632	1,597	1,620	1,708	1,780	1,821	2,006	2,965	2,473	2,164	1,949	1,889	23,605
Fundraising - Contributions	154,739	158,064	86,916	86,891	90,163	87,087	1,016	2,978	2,866	2,866	1,966	1,966	677,518
Trading/Operating Activities	296,655	338,386	255,299	250,438	275,064	272,257	343,170	261,466	68,618	66,074	65,364	65,168	2,557,961
Intercompany P & L	0	105	284	371	340	251	113	47	31	13	2	2	1,558
<b>Cash Inflows from Operation</b>	<b>792,836</b>	<b>924,977</b>	<b>770,070</b>	<b>755,075</b>	<b>790,543</b>	<b>775,787</b>	<b>710,106</b>	<b>593,926</b>	<b>328,465</b>	<b>394,186</b>	<b>454,916</b>	<b>424,687</b>	<b>7,712,574</b>
<b>Cost of Sales</b>													
Total Cost of Sales	(105,476)	(57,712)	(89,213)	(140,625)	(139,942)	(121,290)	(69,001)	(67,366)	(59,085)	(37,370)	(14,503)	(4,869)	(906,452)
<b>Expense</b>													
Marketing	(97,450)	(95,412)	(107,642)	(156,872)	(222,312)	(203,954)	(340,337)	(303,162)	(368,381)	(134,591)	(76,506)	(130,713)	(2,237,333)
Other Staff	(4,877)	(5,152)	(6,140)	(8,628)	(11,251)	(12,342)	(12,501)	(12,547)	(11,766)	(9,324)	(6,560)	(5,242)	(106,331)
Operations	(11,621)	(9,975)	(11,142)	(14,303)	(17,501)	(18,885)	(18,255)	(20,026)	(21,428)	(23,816)	(25,774)	(23,019)	(215,746)
Administration	(41,550)	(23,037)	(23,020)	(23,709)	(21,340)	(29,591)	(6,855)	(7,208)	(6,905)	(6,958)	(7,582)	(7,678)	(205,435)
Occupancy	(858)	(559)	(568)	(589)	(601)	(613)	(682)	(1,111)	(1,115)	(802)	(760)	(755)	(9,013)
Staff costs	(175,916)	(181,650)	(157,127)	(167,942)	(179,329)	(191,814)	(70,632)	(27,892)	(31,643)	(40,606)	(48,391)	(45,316)	(1,318,257)



Powered by Calxa

01/02/2020 08:00

Page 1 of 2

	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total
<b>Cash Outflows from Operation</b>	<b>(437,749)</b>	<b>(373,497)</b>	<b>(394,851)</b>	<b>(512,670)</b>	<b>(592,276)</b>	<b>(578,488)</b>	<b>(518,263)</b>	<b>(439,313)</b>	<b>(500,323)</b>	<b>(253,468)</b>	<b>(180,077)</b>	<b>(217,593)</b>	<b>(4,998,567)</b>
<b>Asset</b>													
Bank Accounts	0	0	0	(10,000)	0	0	30,000	0	0	0	0	0	20,000
Non-Current Assets	0	(80,000)	(50,000)	0	(40,000)	0	0	0	0	0	0	0	(170,000)
<b>Movement in Assets</b>	<b>0</b>	<b>(80,000)</b>	<b>(50,000)</b>	<b>(10,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(150,000)</b>
<b>Liability</b>													
Current Liabilities	(122,165)	(589,327)	24,025	(151,453)	(149,246)	(99,894)	(76,525)	(190,859)	(1,000)	(368,200)	(102,882)	(1,000)	(1,828,526)
Non-Current Liabilities	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(2,000)	0	0	0	0	0	0	(17,000)
<b>Movement in Liabilities</b>	<b>(125,165)</b>	<b>(592,327)</b>	<b>21,025</b>	<b>(154,453)</b>	<b>(152,246)</b>	<b>(101,894)</b>	<b>(76,525)</b>	<b>(190,859)</b>	<b>(1,000)</b>	<b>(368,200)</b>	<b>(102,882)</b>	<b>(1,000)</b>	<b>(1,845,526)</b>
<b>Net Movement</b>	<b>229,922</b>	<b>(120,847)</b>	<b>346,243</b>	<b>77,952</b>	<b>6,021</b>	<b>95,404</b>	<b>145,318</b>	<b>(36,246)</b>	<b>(172,858)</b>	<b>(227,481)</b>	<b>171,957</b>	<b>203,094</b>	<b>718,481</b>
<b>Bank at End</b>	<b>912,462</b>	<b>791,616</b>	<b>1,137,859</b>	<b>1,215,811</b>	<b>1,221,832</b>	<b>1,317,236</b>	<b>1,462,554</b>	<b>1,426,309</b>	<b>1,253,451</b>	<b>1,025,969</b>	<b>1,197,926</b>	<b>1,401,021</b>	<b>1,401,021</b>



Powered by Calxa

01/02/2020 08:00

Page 2 of 2

## Business Unit Income & Expense Summary

### Summary — All Entities

Cost Centre	Dec 2019						Jul 2019 -Dec 2019					
	Budget			Actual			Budget			Actual		
	Income	Expenses	Profit/Loss	Income	Expenses	Profit/Loss	Income	Expenses	Profit/Loss	Income	Expenses	Profit/Loss
Brisbane	67,000	36,392	30,608	47,914	46,022	1,892	314,527	218,600	95,927	298,141	293,983	4,159
Melbourne	338,632	247,510	91,122	80,194	80,194	0	1,452,806	1,311,460	141,346	515,857	489,380	26,477
Perth	199,793	326,658	(126,865)	95,828	92,045	3,784	1,405,032	1,547,765	(142,733)	596,283	587,966	8,317
Sydney	225,261	204,259	21,001	206,700	186,869	19,831	1,115,040	1,017,666	97,374	1,023,165	931,758	91,407
<b>Consolidated Organisation(s)</b>	<b>830,686</b>	<b>814,819</b>	<b>15,867</b>	<b>430,637</b>	<b>405,131</b>	<b>25,506</b>	<b>4,287,406</b>	<b>4,095,491</b>	<b>191,915</b>	<b>2,433,446</b>	<b>2,303,087</b>	<b>130,360</b>



## Business Unit Comparison

### Comparison — All Entities

JUL 2019 - DEC 2019

	Brisbane	Melbourne	Perth	Sydney	Consolidated Organisation (s)	
<b>Income</b>						
Grants	265,166	482,968	530,332	0	1,278,466	0
Fundraising - Gifts	4,441	800	8,882	0	14,122	0
Fundraising - Contributions	0	15,952	0	0	15,952	0
Trading/Operating Activities	28,268	16,136	56,536	1,023,165	1,124,105	0
Intercompany P & L	267	0	533	0	800	0
<b>Total Income</b>	<b>298,141</b>	<b>515,857</b>	<b>596,283</b>	<b>1,023,165</b>	<b>2,433,446</b>	<b>0</b>
<b>Cost of Sales</b>						
Total Cost of Sales	11,318	2,909	22,636	444,214	481,078	0
<b>Total Cost of Sales</b>	<b>11,318</b>	<b>2,909</b>	<b>22,636</b>	<b>444,214</b>	<b>481,078</b>	<b>0</b>
<b>Gross Profit</b>	<b>286,823</b>	<b>512,948</b>	<b>573,647</b>	<b>578,951</b>	<b>1,952,368</b>	<b>0</b>
<b>Expense</b>						
Marketing	252,239	4,037	504,478	0	760,754	0
Other Staff	0	25,559	0	0	25,559	0
Operations	17,647	16,627	35,293	12,602	82,169	0
Administration	3,151	18,798	6,302	119,735	147,986	0
Occupancy	592	2,712	1,184	0	4,489	0
Staff costs	9,036	418,738	18,071	355,207	801,052	0
<b>Total Expense</b>	<b>282,665</b>	<b>486,471</b>	<b>565,329</b>	<b>487,544</b>	<b>1,822,009</b>	<b>0</b>
<b>Operating Profit</b>	<b>4,159</b>	<b>26,477</b>	<b>8,317</b>	<b>91,407</b>	<b>130,360</b>	<b>0</b>
<b>Net Profit</b>	<b>4,159</b>	<b>26,477</b>	<b>8,317</b>	<b>91,407</b>	<b>130,360</b>	<b>0</b>

## Balance Sheet Comparison

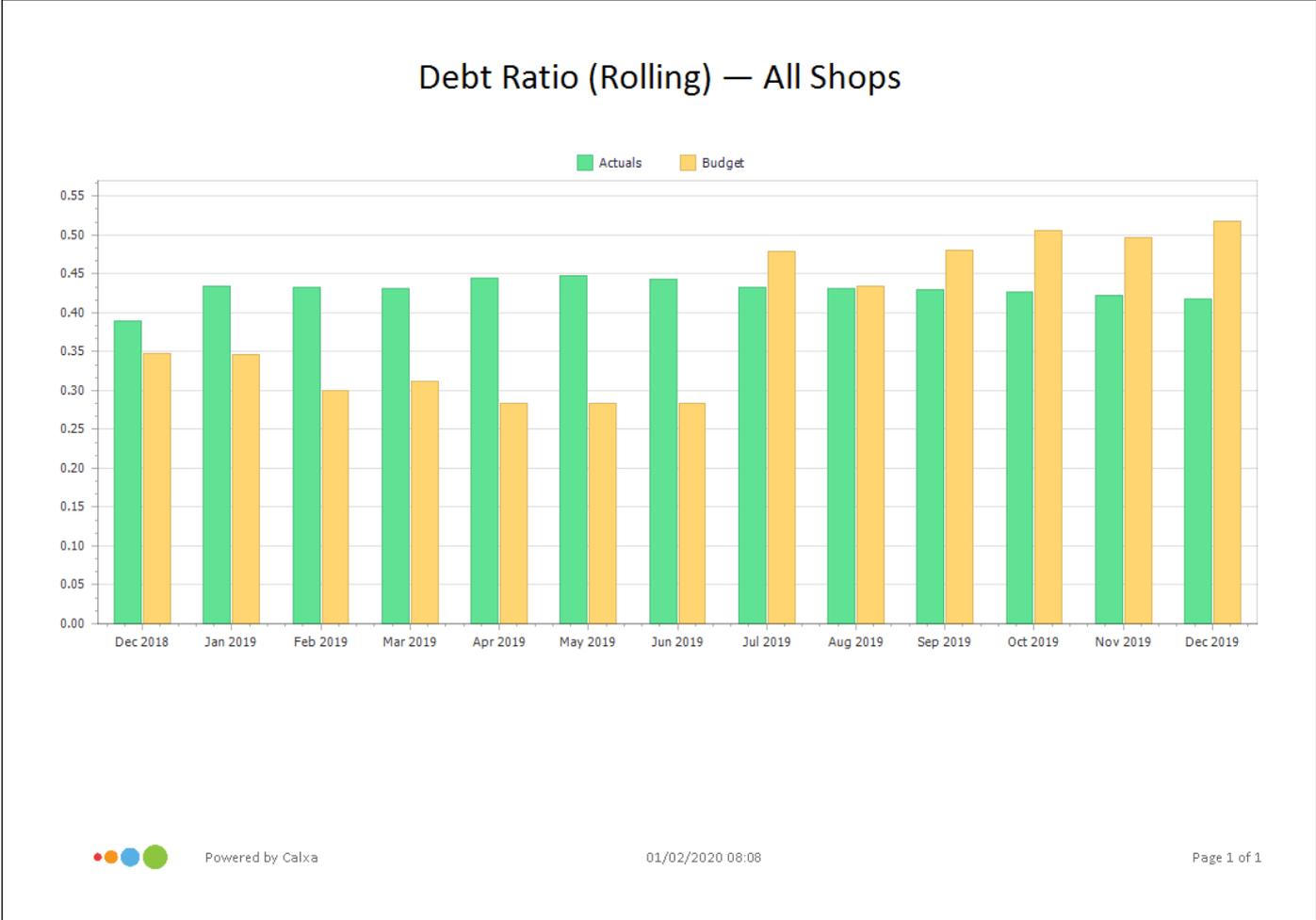
### Balance Sheet — All Shops

DEC 2019

	Brisbane	Melbourne	Perth	Sydney	Consolidated Organisation (s)	
<b>Asset</b>						
Bank Accounts	265,728	626,702	531,455	245,647	1,669,531	0
Current Assets	78,072	3,980	156,144	658,568	896,764	0
Non-Current Assets	0	0	0	970,434	970,434	0
<b>Total Asset</b>	<b>343,800</b>	<b>630,682</b>	<b>687,599</b>	<b>1,874,648</b>	<b>3,536,729</b>	<b>0</b>
<b>Liability</b>						
Current Liabilities	204,851	220,100	409,702	313,158	1,147,811	0
Non-Current Liabilities	0	0	0	270,489	270,489	0
<b>Total Liability</b>	<b>204,851</b>	<b>220,100</b>	<b>409,702</b>	<b>583,647</b>	<b>1,418,301</b>	<b>0</b>
<b>Net Assets</b>	<b>138,948</b>	<b>410,582</b>	<b>277,897</b>	<b>1,291,001</b>	<b>2,118,429</b>	<b>0</b>
<b>Equity</b>						
Capital	138,948	749,770	277,897	1,291,001	2,457,616	0
<b>Total Equity</b>	<b>138,948</b>	<b>749,770</b>	<b>277,897</b>	<b>1,291,001</b>	<b>2,457,616</b>	<b>0</b>



KPI Analysis Bar Chart



## Getting More Help

### Customer Support Team

We have a support team in Australia standing by to support you through your Calxa journey. They will take all enquiries and help you make Calxa work for you.

Our team are specialist accountants, bookkeepers and consultants.

Our unlimited support is free and available to all our customers.

### One-on-One Onboarding Sessions

And, during your learning phase you can book some [one-on-one sessions](#). We even have a [US and UK friendly calendar](#) to cater for our growing global customer base.

### Email Support

Email: [helpme@calxa.com](mailto:helpme@calxa.com)

### Phone Support

Phone: AU 1800 733 149 | NZ 0800 086 614 | Anywhere Else +61 3 9016 3447

### Support Tickets

You can easily submit a query through a ticket within the software application.

## Online Help Centre

You can access a well-stocked library of help articles and videos in our [Online Help Centre](#).

## Onsite Help with a Calxa Partner

If you are short on time and just want someone to do the set up for you, [contact one of our accredited partners](#) for an onsite consultation.

## Free Webinars

### Getting Started Webinars

Each week we run free webinar sessions on reporting and budgeting.

### Monthly Web Chats

To add to your Calxa learnings, we also deliver a monthly Web Chat on an advanced topic. These sessions are great to ask questions and share your experience with others.

Check out our [Events Centre](#) to register for a session.

## Classroom Training

Some of our accredited partners run classroom training in major Australian and New Zealand centres. Learn Calxa in a Day classes are scheduled throughout the year.

Check out [Learn Calxa in a Day dates and locations](#).



Calxa saves time for Businesses, Not-For-Profits and Accountants by automating budgeting, cash flow forecasting and KPIs, intelligently.

Try Calxa for Free

**calxa**...●●●