

Svevia

CCH® Tagetik case study



Wolters Kluwer

SVEVIA

Company

Svevia

Industry

Construction and maintenance – roads and infrastructure

Uses of CCH Tagetik software

- CCH Tagetik Lease Accounting solution for IFRS 16 and ASC 842

Key facts

- More than 3,000 leasing contracts...
- ...of which 900 are subleasing contracts
- 2,100 employees
- SEK 8.1 billion annual revenue

Svevia Success Story with CCH Tagetik Lease Accounting for IFRS 16

The challenge

With three legal entities and approximately 3,000 leasing contracts, including 900 sublease contracts with changing payments due to the STIBOR (Stockholm Interbank Offered Rate), Svevia knew that IFRS 16 would be a big challenge. In particular, the subleases are subject to frequent monthly changes including extensions and factors which affect asset values. Manually updating the subleases regarding asset values was simply not practical.

The objectives

With the deadline of January 2019 approaching, Svevia was seeking a proven stand-alone IFRS 16 solution which had already been implemented for other customers. The company wanted a solution that could handle the complexity of the subleases with changing monthly payments and a customized ETL tool for journal entries into the consolidation system.

The solution

CCH Tagetik Lease Accounting for IFRS 16 and ASC 842 went live in approximately four months, including the customised sublease data entry report, ETL and annual report functions. The project leadership team on Svevia's side comprised experts from IT and group accounting. Svevia created several entities in CCH Tagetik and named them after the import source – the

Requirements

- Stand-alone IFRS 16 solution
- Already implemented and proven
- Ability to handle frequent changes to hundreds of leases in particular sublease contracts
- Customized ETL tool for journal entries into consolidation system

Benefits & results

- Ability to handle all external leasing and subleasing contracts
- Drill down function in customized reports
- Ability to spot outliers
- Simplified disclosure
- Automatic update of contracts

“Without CCH Tagetik it would not have been possible to handle all of the leasing and subleasing contracts. Overall we have a reliable IFRS 16 and ASC 842 solution from a problem-solving supplier. Even during tough discussions we always had a common goal of the best outcome.”

Susanne Vogt

Group Accounting Manager, Svevia, Sweden

bank, for example, or real estate database. Details include a report which highlights contracts from the previous month which are missing from the current month, among other outliers. The system calculates impact of lease and sublease changes, using information uploaded from Excel. Everything related to IFRS 16 is done through the CCH Tagetik solution.

The result and benefits

CCH Tagetik has given Svevia the ability to handle its external leasing and subleasing contracts, including automatic calculation of all monthly contract changes. The drill-down function in the customized reports has proved particularly useful, along with the ability to spot outliers and manage them as appropriate.

Automating the disclosure through the annual report function has simplified the process and proved to save a considerable amount of time.

Svevia can now automatically update contracts for subletting, with the changes that routinely take place in its hundreds of leases. With Svevia's large volume of contracts, it would have been practically impossible to achieve this manually in the context of IFRS 16.

About customer

Svevia is an independent public company with annual revenues in excess of SEK 8 billion. It employs some 2,100 people in its main activity of building and maintaining roads and public infrastructure, mainly in Sweden but also in Norway. Svevia also manufactures asphalt and road markings. The company has more than 100 locations in Sweden and Norway.

About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in professional information, software solutions, and services for the healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services. Wolters Kluwer reported 2022 annual revenues of €5.5 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.