Normalized Profitability Metrics

Methodology

Table of Contents

1. Introduction

Normalization is a process which involves adjusting non-recurring non-operating expenses/income in the financial statements so that it only reflects the usual transactions of the company. Financial statement usually contains income/expenses that does not constitute the normal business operations of the company and have impact on the recurring earnings of the company.

The process of normalization eliminates this anomaly and provides an accurate recurring income which helps for a reliable comparisons and forecasting. Normalized Earnings are derived by removing the effects of seasonality, revenues and expenses which are unusual or one-time in nature.

This helps Investors, Business Owners, Financial Analyst and other people to understand company's true earnings from its normal operations.

1.1. Overview

1.1.1. Why Normalization is necessary?

Financial statement usually contains income/expenses that does not constitute the normal business operations of the company and have impact on the recurring earnings of the company.

The process of normalization eliminates this anomaly and provides an accurate recurring income which helps for a reliable comparisons and forecasting.

1.1.2. What are Normalized Earnings?

Normalized Earnings are derived by removing the effects of seasonality, revenues and expenses which are unusual or one-time in nature.

This helps Investors, Business Owners, Financial Analyst and other people to understand company's true earnings from its normal operations.

1.1.3. Impact of Normalizing Earning?

Comparable Data across different companies irrespective of their geographical location and reporting pattern.

Eliminates noise (irregularity) in earnings between different periods providing more comparable data.

Provides earnings related to company's core business operations

Helps in forecasting core earnings of the company for future periods.

Provides Investors, Business Owners and Financial Analyst the most accurate assessment of a company's true financial health and performance.

2. Update Log

This log contains the updates related to methodology shared from October 2020 up to the present time.

Below are the links for detailed emails:

[2020 Methodology Log]

[2021 Methodology Log]

[2022 Methodology Log]

3. General collection principles

Template Identification:

There are 4 specific report templates within Morningstar. Each company's fiscal period will be collected using 1 of the 4 report templates. Companies should be classified into the template which best suits the nature of their business/financial presentation.

Normal "N" – this is the most commonly used template for about 80% of our universe. This template will be used if the financials reported do not fit into any of the below templates.

Bank/ Interest Income & Deposits driven "B" – this is used for banks and companies that are primarily in the lending business and a core component of revenues is interest income.

Insurance/Insurance Premiums driven "I" – this is used for companies that are primarily in the insurance business and a core component of revenues is insurance premiums.

Closed End Fund/Investment Trust "V" – this is used for closed end funds /investment trust/ investment/Assets management companies

REITs – A Real Estate Investment Trust (REIT) is a company/security that owns or finances income producing real estate. REITs are modelled after mutual funds, give investors a very liquid position in real estate and receive special tax considerations. There are 3 main types or REITs and they may be covered under the N, B or V templates according to their nature of businesses.

If it's a mortgage REIT, in the business of lending, then it is considered under B template.

If its business is investment (fund/asset management), then it is considered under V template. If It's just renting investment properties, then it's N

Conglomerates – A conglomerate is a corporation that is made up of several diverse businesses. There may be challenges for data collection if the businesses span across industrial (typical N) and financial services (typical B, I and V). One option is to be able to create a hybrid template, however these will be used by a very small number of companies and will not be ideal. The M* treatment is to select 1 template of best fit to collect the financials of the conglomerate. The choice will be made by the template that best reflects the most dominant activities/ largest revenue business.

For example: Berkshire Hathaway is a conglomerate and the insurance business is dominant, so the I template will be used to capture the company's financials.

Substance over Form:

Languages have many expressions of the same idea. DAs should recognize synonyms and not treat them differently because they are described differently. we should able to understand the reporting or the line item reported by company

For example: Unrealized also termed as adjustments, changes in fair value or valuation this are the synonyms for same word that we should able to understand before arriving any conclusion about the collection.

Always look for key notes or footnotes:

Analysts must use as much information within the Financial Statements and Notes & footnotes, paragraphs as possible. We always aim to look for details break out of notes available for the line items are reported on the face of the financial statement to get the most granular level information's & to get with meaningful concept.

Sensible Collection:

Although we want to collect financial data as reported, they will only make sense if they are accurate. It is possible for companies to report wrong values sometimes, and they may or may not correct it with an Amendment filing after filing the report. There have even been instances when the company duplicated last year's financials into this year's period or switched last year and this year's results under the wrong period end date.

If the DA senses that a value may be wrong or something is amiss, he/she should try his/her best to determine what the correct value should be. Collecting wrong info "as reported" is no defence.

Update tips: Check that you are collecting the values for the correct company (Name, consolidated/ nonconsolidated), period (Current year vs. Prior Year), period length (discrete/ YTD), currency and units (Billions, Millions, Thousands, Units) etc.

Tag Every item to its Best Fit

The DA should map every item reported by the company to the closest CPMS Data Item available. Here are a few helpful guideline

It is the DA's responsibility to understand the nature of the reported item (esp. company specific descriptions and/or combined items) and find the best fit item. The DA should look into the Notes if necessary.

Only when there is no specific nature available, the "Add new" within that section should be used. "Add New" should be used sparingly as it does not provide very meaningful information.

Combined Items

If line item is reported as combination of two or more items, then we need to check that both the line items are making part of our CPMS adjustments or not. If both the line items are forming part of CPMS adjustments, then we need to go by first word & collect the adjustment in that head. If either of line item is not forming part of adjustments, then we are not supposed to collect the line item as an adjustment.

Mainly/Primarily/Majority concepts

If company reports a line item with the prefix like mainly/majorly/primarily then we need to consider this factor while collecting the line items, Reason being when company disclose it as mainly or primarily then it is an clear indication that major portion of the line items is forming of that particular adjustments, So in this case instead of ignoring line item as whole we can collect it as an adjustment.

For example:

Other expense reported with value of 100 million & somewhere in footnote it has given as by giving * or # symbol, Other comprises of mainly/Primarily restructuring charges. So, in such cases we consider this 100 million as part of our adjustment.

YTD vs Discrete

DA always need to give preference to Discrete data over Year to date (YTD) data when discrete values are available. So, it is always advisable to user to always seek for discrete value in Q2, Q3 & Q4 documents.

Example 1: In Q2 if we have 3 months as well as 6 months (Year to date) data, in such cases DA needs to collect three months data when it is available over YTD values.

Line item missing in previous quarters:

Case 1:

There are some cases where we may find line items in Q2 which were not presented in the Q1. If the line item includes both discrete and YTD data, we can derive the Q1 amount by subtracting the discrete amount from the YTD amount.

Income statement note	3 months
Other Income	Q1 2019
Gain/Loss on disposal of property	40
Insurance claims	30
Other income	10
Total	80

In Q1, four-line items are presented.

Income statement note	3 months	6 months
Other Income	Q2 2019	Q2 2019
Gain/Loss On disposal Of Property	10	50
Insurance Claims	15	45
Gain On Investment Securities	**20**	**60**
Other Income	6	16
Total	51	171

In Q2, we have an extra line item, i.e., 'Gain on investment securities.' This was not present in the previous report, but the aggregate value of 6 month is different from the discrete value. In this case, we can derive the Q1 amount by subtracting the discrete amount from the YTD amount. (60-20=40).

Case 2:

Income statement note	3 months	9 months
Other Income	Q3 2019	Q3 2019
Gain/Loss On Disposal Of Property	10	50
Insurance Claims	15	45
Gain On Investment Securities	20	60
Fair Value Gains On Derivatives	**20**	**90**
Other Income	6	16
Total	71	261

Over here in Q3, we have an extra line item, i.e., 'Fair value gains on derivatives.' This was not previously reported in any quarters. Although, we can see the YTD amount is greater than the discrete. In this case, we must derive the value for the previous quarter, and since, we don't have the proper information, the values have to be equally divided into the previous quarters.

Quarters	Calculation	Amount
Q3	-	20
Q2	**70/2**	**35**
Q1	**70/2**	**35**

NOTE: In any of these cases, we need to add in a standard comment as 'Restated- Missing Line Item'. Also, we can explain from where these values are collected.

Exceptions:

Case 1: Absolute values to be given preference over discrete values

Example: When discrete values are presented in Income statement notes (in thousands), whereas Cashflow reports YTD numbers in absolute, we need to check whether the derived discrete value matches the reported discrete numbers.

If the values match after rounding-off → we will collect the absolute numbers from the CF.

If the values do not match after rounding-off → we will collect the discrete values reported in the notes.

Absolute numbers vs Rounded off Figures

As per the CPMS collection policy we should always give priority to absolute figures over rounded off values.

Example: In financial report company has given financial highlights table reported in that WASO number reported as 512 million, but in earnings per share table it is given as 511,650,450. So, in this case user always give preference to absolute numbers i.e. 511,650,450.

Live file collections criteria:

So, in most of quarterly filings you can see a limited amount of data is reported by the company & some of cases they do not disclose any clarity about few line items. In such scenario's user must take some call about collection of that particular line item. In such a case if line item is doubtful & we have any ambiguity whether to collect it or not? If yes, then under which head? To get such clarity it is always advisable to refer previously processed Annual report. Because in the Annual report company does report detailed & precise information.

Adjusted tables

Any value that company itself states as extraordinary, irregular, adjusted, non-recurring or one-off needs to be mandatorily collected as an adjustment.

These values can be found in the notes or various tables.

A few examples for adjustment tables are shown below:

- ❖ Adjusted net income/Adjusted EPS
- ❖ EBITDA To Adjusted EBITDA*
- ❖ Normalised earnings
- ❖ Headline Earnings
- ❖ Underlying earnings
- ❖ EPRA (in European REIT filings)

Note: * Only for Non-US GAAP companies

- **Adjustments from FFO table –** If the company reports Net income to FFO or Adjusted FFO table, we can collect all relevant adjustments as per our collection from these tables.

- Any adjusted tables that provide adjustments between Net income to Adjusted Net Income /EPS to Adjusted EPS /Net income to EPRA earnings, values should be kept same in BT & AT cell as these are post tax values

4. Data Points Used to Normalize Net Income

Data Points Variants:

For all the data point adjustments mentioned above, we have 3 variants for collection of that information.

BT – Before Tax:

This section is used to collect the before-tax value reported by the company.

AT – After-Tax:

This section is used to collect the after-tax value reported by the company. It the company doesn’t report the after-tax values, then we would let the system calculate the after-tax value.

/Share – Per Share:

This section is used to collect the per share value reported by the company. If the company doesn’t report the per share values, then we would let the system calculate the after-tax value.

Earnings Page (Basic Data Point Collection):

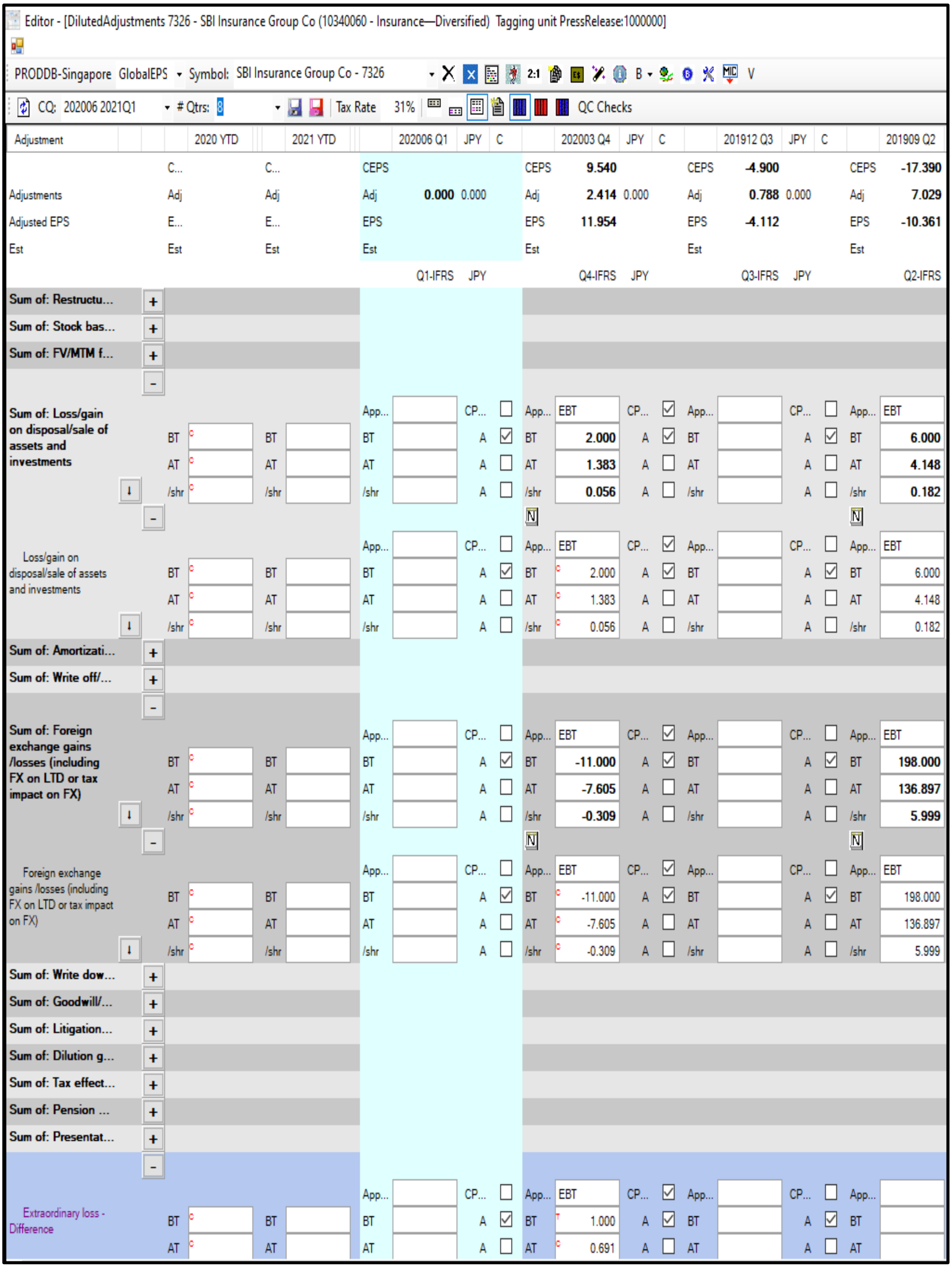
Editor - [EarningReport 7326 - SBI Insurance Group Co (10340060 - Insurance—Diversified) Tagging unit PressRelease:1000000 Tagging unit (WAS) PressRelease:1]

PRODDB-Singapore GlobalEPS Symbol: SBI Insurance Group Co - 7326 2:1 B V

CQ: 202003 2020Q4 # Qtrs: 8

	2019 YTD JPY IFRS	2020 YTD JPY IFRS	202003 Q4 JPY IFRS	201912 Q3 JPY IFRS	201909 Q2 JPY IFRS	201906 Q1 JPY IFRS	201903 Q4 JPY IFRS	201812 Q3 JPY IFRS	201809 Q2 JPY IFRS	201806 Q1 JPY IFRS
File Date		80782765	20200623	20200218	20191115	20190809				
Basic WAS	0.000	23.274	24.635	22.820	22.820	22.821				
Diluted WAS	0.000	23.274	24.635	22.820	22.820	22.821				
Net Income	0.000	335.000	224.000	-111.000	-397.000	619.000				
Disc Ops	0.000	0.000	0.000	0.000	0.000	0.000				
Continuing operations		335.000	224.000	-111.000	-397.000	619.000				
Basic EPS	0.000	14.410	9.540	-4.900	-17.390	27.160				
Basic Disc EPS	0.000	0.000	0.000	0.000	0.000	0.000				
Basic Cont EPS	0.000	14.410	9.540	-4.900	-17.390	27.160				
Basic Adjusted EPS	0.000	14.410	9.540	-4.900	-17.390	27.160				
Diluted EPS	0.000	14.410	9.540	-4.900	-17.390	27.160				
Diluted Disc EPS	0.000	0.000	0.000	0.000	0.000	0.000				
Diluted Cont EPS	0.000	14.410	9.540	-4.900	-17.390	27.160				
Diluted Adjustments	0.000	10.897	2.414	0.788	7.029	0.667	0.000	0.000	0.000	0.000
Diluted Adjusted EPS	0.000	25.307	11.954	-4.112	-10.361	27.827				

Adjustment Page:



5. Normalized Earnings Collection Data Points:

Quarter End:

Definition:

Quarter End is the end data of the period for which the company has provided the financial information.

Format: YYYY-MM-DD

- Mid-period month end cases – For standardizing PED rounded to the end of the month, there is a cut off on the 15th of each month. Any dates up to the 15th will be considered as belonging to the prior month, while any dates after the 15th will belong to the current month.

Example:

The company has a period end dated 20th November (i.e. November 21,2019 to 20th November,2020). In such a case we would consider the period end as November.

Company name	Zojirushi Corp
CID	0C00002DAP
Year End	20th November

Filing Date:

Definition:

It is the date on which the company has made its financials available to public.

We should collect the date from the "Filing Date" column in CPMS analyst board or common board.

Format: YYYY-MM-DD

Priority for filing date collection:

I. File/Published date reported in the document (usually reported at the start of the document) *

II. CPMS file date

Note: In case of multiple documents, we will collect the date of the document used for collection purpose.

III. If the report is unavailable on CPMS or the document is wrong/incomplete, the published date available on the source, i.e., MDL or GED.

IV. In case there are no documents available on any of the sources and further there is lack of information on document date then we can collect the Effective date as file date as the last resort
Note: ***Auditors/ chairman's signing date should not be collected.***

Note 1: If there are missing/backfill periods (i.e. when original report is not available) we can collect the file date from the report for comparative quarters (restated data)

Note 2: In case we have only standalone report in 2018 (for e.g. Indian filings) and the consolidated data is available in the 2019 report. We can collect the values as well as the date from the 2019 report.

For example: 2018 Q1 report is unavailable/has standalone data. But we have 2019 Q1 report, from this filing we can collect the 2018 Q1 restated data and take the file date of 2019 Q1.

Weekend Date filings: For any filing date falling on Saturday/Sunday, we will consider the file date of the next working day, i.e. Monday

Note 3: In case where we find multiple reports for the same effective date, we will consider the date of the filing from which the primary data has been collected. (i.e. report from which the data is collected in the first instance)

Examples:

- File date available on the cover page or mentioned as published date needs to be taken as file date else, we will go with CPMS press release page ‘File date’

26 July 2019

Interim Results, six months ended 30 June 2019

Continuing operations:	Adjusted[1] 2019 H1[5]	2018 H1	Change	Organic[4]	Statutory 2019 H1	2018 H1	Change
Revenue	£910m	£915m	-1%	-3%	£910m	£914m	0%
Operating Profit	£118m	£120m	-1%	-4%	£101m	£101m	0%
Operating Margin	13.0%	13.1%	-10bps				
Profit Before Tax	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

Syndicate Bank
Corporate Office
2nd Cross, Gandhi Nagar,
Bengaluru – 560009
Tel.: 080-22283030
Fax: 080-22283030
Email id:
inrc@syndicatebank.co.in

Investor Relations Centre

Ref. No.: 94/CO/2914/INRC/SE/2019-20

Date: 10.05.2019

The Vice President (Listing) NATIONAL STOCK EXCHANGE OF INDIA LTD. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 (NSE Symbol: SYNDIBANK)	The Vice President (Listing) BSE LIMITED Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 (BSE Symbol: 532276)

Sub.: Audited Financial Results (Standalone and Consolidated) for the Fourth Quarter and Year ended 31.03.2019

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, it is hereby informed that the Board of Directors in the meeting held on 10.05.2019, approved the Audited Financial Results (Standalone and Consolidated) of the Bank for the Fourth Quarter and Year ended 31.03.2019

Do not take the auditor’s signing date

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Fong Fei Ho.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 22 March 2019

Chairman’s Statement

Moreover, the Group’s “Pseudomonas Aeruginosa Injection”, a kind of biopharmaceutical medication, has been admitted in eight provincial/municipal drug reimbursement lists. In 2019, the Group will strengthen the evidence-based medical support and marketing for “Pseudomonas Aeruginosa Injection”, and reshape its marketing with academic-base approach and value driver promotion. The Group anticipates that “Pseudomonas Aeruginosa Injection” will become one of the new growth drivers for the Group.

In 2019, the Group’s research and development team is set to continue the progress on developing new dosage forms of the “Ancient and Classical Prescriptions” and the Phase III clinical trial of “Sailuotong Capsule” in Australia, while accelerating the process of Phase III clinical trial of “Sailuotong Capsule” in China. Likewise, the Group is commencing its research on the clinical preparation of compound traditional Chinese medicine formula and kick off the exploratory research on TCM injections as botanical medicine. The Group is also accelerating the formation of our academic marketing system and consummating a variety of evidence-based medical researches to ensure our key products can be admitted into expert guidelines and specialists’ consensus in a more rapid manner and to strengthen the application of clinical evidence and their commercialization. Furthermore, the Group is proactively building a system of experts to strengthen the academic reputation and brand of our strategic products.

With regard to improving our strategic positioning, the Group’s TCM industrial park in the Chuxiong Prefecture of Yunnan Province has already commenced trial production and is expected to move into official operation in May 2019. The Group’s influence and market presence in southwestern region of China is escalating. The Group is also about to commence its TCM formula granules and healthcare products industrialization projects in the Gansu province to research and manufacture TCM formula granules and healthcare products such as Ancient and Classical Prescriptions, refined TCM decoctions, health-preserving tea and health supplements, etc, to bring new buoyancy for our business.

For the year past, our entire staff had contributed to the Group’s business advancement relentlessly with unremitting support and dedication in their relevant positions. On behalf of the Board, I would like to extend my cordial gratitude and make sincere greeting to each of them who had work diligently for the Company over the last year. I would also like to convey my heartfelt thanks to shareholders, customers and partners for their continuous support and trust to the Group.

Li Zhenjiang
Chairman of the Board
Hong Kong, 29 March 2019

Weighted Average Shares – Basic:

Definition:

It is the weighted average number of shares used for the calculation of Basic EPS.

Weighted Average Shares – Diluted:

Definition:

It is the weighted average number of shares used for the calculation of Diluted EPS.

If the company does not report diluted WASO separately and if the company has reported Basic and Diluted EPS same, then we would collect Weighted Average Shares – Basic as Weighted Average Shares – Diluted.

Priority for Basic/Diluted WASO Collection:

I. As reported Discrete WASO**

II. As reported YTD WASO **

III. Reverse calculated WASO (Net Income/ EPS) *

IV. WASO reported on EXOI*

V. TSO reported in the document

VI. TSO closest to the period end date. This can be collected from NFS – TSO Overview Page

VII. Previous period WASO can be collected in the current period if the share capital is consistent across the two periods.

For e.g., Q1 WASO can be taken for Q2 if the share capital in both periods is consistent.

Note: When WASO reported on EXOI is inconsistent/not in range/missing/WASO is greater than TSO then identify scenario which best fits.:

Scenario 1: WASO > TSO – Collect TSO

Scenario 2: Inconsistency in WASO being >/< then 5% then first try to identify the reason for inconsistency. If nothing found then-

i. Look for TSO values in the document and changes if any
ii. Accordingly use template to check variation

Scenario 3: As a last resort, we will simply input the company reported YTD WASO in discrete column

In the above scenarios EPS should not be changed unless it crosses our threshold of 20% because the EPS has been derived from as reported values.

WASO & EPS Calculation Template

Points to remember:

- In case both, EPS & WASO are not available in the report, take both the values from EXOI.
- Basic WASO should not be greater than Diluted WASO. In case of anti-dilution, we will copy over Basic WASO to Diluted WASO
- **We should consider WASO/TSO excluding treasury shares

❖ For TSO collection:
- TSO should be collected in YTD column
- TSO can be taken in discrete if the derived WASO is greater than the actual TSO collected.

❖ Anti-dilution case: When there is no anti-dilutive impact on WASO, then we need to copy over only EPS values.
Example: Basic EPS = 5, Diluted EPS = 6
Basic WASO = 255, Diluted WASO = 270
Collection:

Datapoint	Values
Basic EPS	5
Diluted EPS	5
Basic WASO	255
Diluted WASO	270

❖ Anti-dilution case for WASO: When WASO is anti-dilutive, i.e. Basic WASO is greater than diluted WASO, then we will copy over Basic WASO to Diluted.
❖ While adding any values in Fiscal or YTD column, if we notice an inconsistent value populating in Q4, we need to make correction in the Q4 value to ensure that the consistency is maintained.

Net Income:

It is the total net income (Continuing and Discontinuing operations) attributable to parent company shareholders reported by the company in the given year.

I. As reported total Net income attributable to parent shareholders - discrete
II. As reported total Net income attributable to parent shareholders - YTD
III. Reverse calculated net income (WASO * EPS)
IV. Net income reported on EXOI

Points to remember:

❖ Company usually reports any adjustments to net income such as preference dividend, interest on capital notes, etc. for the calculation of EPS. We should take the final net income attributable to common shareholders reported by the company after making these deductions.

❖ In case of discrepancy between Net income reported on the face of the Income Statement & the net income available in the EPS note, preference will be given to the value reported in the note as the company has used this net income to derive the EPS.

❖ Companies may report both basic & diluted net income separately, but we only collect basic net income attributable to shareholders.

❖ When there is a discrepancy in signs of Net Income & EPS, we need to try to identify the cause of this discrepancy. If nothing is found, and it is only a sign issue, we would simply take the sign which is correct.

Net Income from Discontinued Operations:

It is the amount of net income the company generated from its discontinued operations/business that is attributable to the parent company shareholders. It is normally provided at the end of the income statement after continuing operations.

In case if the company has no discontinued operations, then it should be collected as 0.

It is very important to collect the value of net income from discontinued operations with the correct sign. Company usually provides losses with a negative figure and gains/profit with a positive figure.

Our tool is designed in such a way that we add back the losses and subtract the gains.

So, we add back losses from discontinued operations and subtract gains from discontinued operations.

Equation:

Net income from continuing operations = Net Income - Net income from Discontinued Operations

Example:

Company Name: Ballantyne Strong, Inc

CID: 0C000006TH

FID: 32100147

DocID: 129507506

Screenshots:

		2016
Net product sales	$	54,391
Net service revenues		22,340
Total net revenues		76,731
Cost of products sold		42,338
Cost of services		12,760
Total cost of revenues		55,098
Gross profit		21,633
Selling and administrative expenses:		
Selling		4,612
Administrative		12,262
Total selling and administrative expenses		16,874
Gain (loss) on sale or disposal of assets		(118)
Income (loss) from operations		4,641
Other income (expense):		
Interest income		70
Interest expense		(47)
Fair value adjustment for notes receivable		—
Foreign currency transaction gain (loss)		(1,002)
Excess distribution from joint venture		502
Change in value of marketable securities		(34)
Other income (expense), net		118
Total other income (expense)		(393)
Earnings (loss) before income taxes and equity method investment income		4,248
Income tax expense (benefit)		2,798
Equity method investment income		117
Income (loss) from continuing operations		1,567
Net earnings (loss) from discontinued operations, net of tax		(1,277)
Net earnings (loss)	$	290
Net earnings (loss) per share – basic		
Net earnings (loss) from continuing operations	$	0.11
Net loss from discontinued operations		(0.09)
Net earnings (loss)	$	0.02
Net earnings (loss) per share – diluted		
Net earnings (loss) from continuing operations	$	0.11
Net loss from discontinued operations		(0.09)
Net earnings (loss)	$	0.02

In the above case, since the company is making a loss, we will be adding back this value and will be collecting it as a positive value in our tool.

Collection Tool Screenshot:

File Date		20190603	20170316
Basic WAS	0.000	14.233	14.233
Diluted WAS	0.000	14.328	14.328
Net Income	0.000	0.290	0.290
Disc Ops	0.000	1.277	1.277
Continuing operations	0.000	1.567	1.567
Diluted EPS	0.000	0.020	0.020
Diluted Disc EPS	0.000	0.090	0.090
Diluted Cont EPS	0.000	0.110	0.110
Diluted Adjustments	0.000	0.000	0.000
Diluted Adjusted EPS	0.000	0.110	0.110
Basic EPS	0.000	0.020	0.020
Basic Disc EPS	0.000	0.090	0.090
Basic Cont EPS	0.000	0.110	0.110
Basic Adjusted EPS	0.000	0.110	0.110

One of the simplest ways to make sure we have collected the value with the correct sign is to verify the calculated net income from continuing operations with the company reported net income from continuing operations. In case it does not match, the DA needs to reverse the sign of the net income from discontinued operations and reverify it.

Scenarios for collection of Net Income from Discontinued operations

Scenario	Values available	Collection
Bifurcated values available	NI from discontinued operations attributable to parent shareholders & NCI	Collect Net income from Disc ops attributable to equity shareholders
	EPS from discontinued operations attributable to parent shareholders & NCI	
Bifurcation for Net income not available	Total net income from discontinued ops (no bifurcation for Parent & NCI values)	Using EPS from discontinued operations attributable to parent shareholders & WASO, reverse calculate & derive Net income from Discontinued Operations attributable to parent shareholders
	EPS from discontinued operations attributable to parent shareholders & NCI	
No Bifurcation Available (see example below)	Total net income from discontinued ops (no bifurcation for Parent & NCI values)	In case bifurcation is not available & no amounts to derive the disc ops value, we will collect the entire value of Net income from discontinued operations
	Total EPS from Discontinued ops (no bifurcation for Parent & NCI values)	

Example:

Reported data	
Continuing profit	100
Discontinuing profit	20
Total profit	120
Minority	30
Net profit to parent	90
Collection	
Continuing profit after minority	100-30=70
Discontinuing after minority	20

Points to remember:

- Company may not provide the bifurcation of Net income from Discontinued operations attributable to equity shareholders & NCI on the face itself. It may provide this information in the Discontinued Operations note or EPS note.
- There can be cases where the company provides 2 out of the 3 values, i.e., Total Net income, Net income from continuing operations & net income from discontinued operations. We can simply derive the unknown value from the remaining two known values.

For Example:

Company reports:

Total net income to parent = 100

Continuing net income to parent = 80

Total NI = NI from Continuing + NI from Discontinued

Therefore, Discontinued Operations NI = 100 - 80 = 20

Net Income from Continuing Operations:

It's the amount of net income the company generated from its continued operations/business. The data point value is auto calculated through backend calculation in our CPMS Tool.

Equation:

Net income from continuing operations = Net Income + Net income from Discontinued Operations

Note:

The DA needs to check if the company reported Net Income from Continuing Operations and the autogenerated Net Income from Continuing Operations are exactly matching with each other.

In case, there is a difference between the company reported Net Income from Continuing Operations and the auto calculated Net Income from Continuing Operations, the DA will **manually adjust the Net income from discontinued operations** to arrive at the company reported net income from continuing operations.

A hypothetical example for it would be as follow:

Net income from continuing operations = 81 million

Net income from discontinued operations = 20 million

Total net income: 100 million

While collecting the data, we would observe that the auto-calculated value of Net income from Continuing Operations will come to 80 million in the application. Since this is not what the company has reported, we will need to adjust the Net income from discontinued operations value to 19.

Collection in CPMS:

Total Net Income = 100

Net Income from discontinued operations= -19 (manual adjustment to derive the correct continuing Net Income)

Net income from continuing operations = 81 (auto calculated)

EPS – Basic:

It is the total basic EPS reported by the company.

Please find Appendix B for currency conversion table in case company reports EPS in lower denomination.

EPS - Basic from Disc Ops:

It is the Basic EPS from discontinued operations reported by the company.

Please find Appendix B for currency conversion table in case company reports EPS in lower denomination.

In case, if the company has no discontinued operations or the company has not reported Basic EPS from discontinued operations, then we will collect it as 0.

Basic EPS from continuing operations = Basic EPS - Basic EPS from Discontinued Operations

Continuing from example 1, since we add back losses and subtract gains in our system, we collect basic eps from discontinued operations (0.09) with a positive sign in our system.

File Date		20190603	20170316
Basic WAS	0.000	14.233	14.233
Diluted WAS	0.000	14.328	14.328
Net Income	0.000	0.290	0.290
Disc Ops	0.000	1.277	1.277
Continuing operations	0.000	1.567	1.567
Diluted EPS	0.000	0.020	0.020
Diluted Disc EPS	0.000	0.090	0.090
Diluted Cont EPS	0.000	0.110	0.110
Diluted Adjustments	0.000	0.000	0.000
Diluted Adjusted EPS	0.000	0.110	0.110
Basic EPS	0.000	0.020	0.020
Basic Disc EPS	0.000	0.090	0.090
Basic Cont EPS	0.000	0.110	0.110
Basic Adjusted EPS	0.000	0.110	0.110

The DA should always verify if the calculated version of Basic EPS from continuing operations matches with the company reported version of Basic EPS from continuing operations.

EPS - Basic from Continuing Ops:

It is the Basic EPS from continuing operations reported by the company. It will always be collected in the higher denomination currency of the reporting company.

The data point value is auto calculated through backend calculation in our CPMS Tool.

Equation:

Basic EPS from continuing operations = Basic EPS - Basic EPS from Discontinued Operations

Note:

In case, there is a difference between the company reported Basic EPS from continuing operations and the auto calculated Basic EPS from continuing operations, the DA will **manually adjust Basic EPS from discontinuing operations** to arrive at the company reported EPS - Basic from Continuing Ops.

A hypothetical example for it would be as follow:

Basic EPS from continuing operations = $0.81 per share

Basic EPS from discontinuing operations = $0.20 per share

Total Basic EPS: $1 per share

While collecting the data, we would observe that the auto-calculated value of Net income from Continuing Operations will come to $0.80 per share in the application. Since this is not what the company has reported, we will need to adjust the Basic EPS from discontinuing operations to 0.19.

EPS – Diluted:

It's the total diluted EPS reported by the company.

Please find Appendix B for currency conversion table in case company reports EPS in lower denomination.

In case, the company has not provided any diluted EPS, then we will collect the basic EPS as diluted EPS.

In case of Anti-dilution, i.e. Diluted EPS > Basic EPS, we would simply copy over Basic EPS to Diluted EPS and maintain notes.

Note: Be cautious of anti-dilution in case of negative EPS reported by the company.

Example:

Basic EPS: -0.50

Diluted EPS: -0.25

This is a case of ani-dilution and therefore we will copy over Basic EPS to Diluted EPS

EPS - Diluted from Disc Ops:

It's the Diluted EPS from discontinued operations reported by the company.

Please find Appendix B for currency conversion table in case company reports EPS in lower denomination.

In case, if the company has no discontinued operations or the company has not reported diluted EPS from discontinued operations, then we will collect it as 0.

Diluted EPS from continuing operations = Diluted EPS - Diluted EPS from Discontinued Operations

Continuing from example 1, since we add back losses and subtract gains in our system, we collect diluted EPS from discontinued operations (0.09) with a positive sign.

The DA should always verify if the calculated version of Diluted EPS from continuing operations matches with the company reported version of Diluted EPS from continuing operations.

EPS - Diluted from Continuing Ops:

It is the Diluted EPS from continuing operations reported by the company.

The data point value is auto calculated through backend calculation in our CPMS Tool.

Equation:

Diluted EPS from continuing operations = Diluted EPS + Diluted EPS from Discontinued Operations

Note:

In case, if there is a difference between the company reported Diluted EPS from continuing operations and the auto calculated Diluted EPS from continuing operations, the DA will manually adjust the EPS – Diluted value (total diluted EPS) to arrive at the company reported EPS - Diluted from Continuing Ops.

A hypothetical example for it would be as follow:

Diluted EPS from continuing operations = $0.81 per share

Diluted EPS from discontinued operations = $ 0.20 per share

Total Diluted EPS: 1$ per share

While collecting the data, we would observe that the auto-calculated value of Net income from Continuing Operations will come to $0.80 per share in the application. Since this is not what the company has reported, we will need to adjust the Diluted EPS from discontinued operations value to -$0.19 per share.

Priority for Basic/ Diluted EPS collection

I. EPS reported by the company – Discrete
II. EPS reported by the company – YTD
III. EPS derived by reverse calculating (Net Income/ Basic WASO)
IV. EPS reported on EXOI

Points to remember:

- Some companies report their EPS on a different net income base, for e.g., total comprehensive income. In case we can identify that this is not the correct base as per our calculation, we will re-calculate the EPS on the correct net income base.
- In case the reported EPS does not match the calculated EPS, preference will be given to as reported EPS if it is within the threshold of 20% difference. If the difference is greater than the 20% threshold, we will recalculate the EPS.
- DA analysis is required to judge the significance of the difference between calculated & reported EPS.
- We only collect basic net income in CPMS, companies may report different Basic & diluted net income numbers. In such a scenario take as reported values even if Reported Diluted EPS is negative and add a note saying it is as reported because it is calculated using a different Net Income.

If the company reports EPS as Zero & the net income is a non-zero number, we need to calculate the EPS to reflect the value up to 3 decimal places. E.g.

Net income = 300 WASO = 100000

Reported EPS = 0.00

Calculated EPS = 0.003 (collected in CPMS)

In case both, EPS & WASO are not available in the report, take both the values from EXOI.

- Discontinued Operations Net Income reported but EPS reported as hyphen or zero

  If company has reported Net Income/Loss for Discontinued Operations taking zero EPS would be incorrect as that has happened due to rounding off. In such a case we are Back-calculating EPS for Disc Ops using Net Income.

Profit/Loss (-) before income tax from continuing operations		**171**	**165**	**321**	**278**
Income taxes	[8]	-36	-37	-66	-61
Profit/Loss (-) for the period from continuing operations		**135**	**128**	**255**	**217**
Profit/Loss (-) for the period from discontinued operations		1	-	1	13
Profit/Loss (-) for the period		**136**	**128**	**256**	**230**
Profit/Loss (-) attributable to non-controlling interest		-	-	-	-
Profit/Loss (-) attributable to equity holders		136	128	256	230
Earnings per ordinary share after taxes attributable to equity holders for the period (in €)					
- Basic (continuing operations)		0.03	0.03	0.06	0.05
- Diluted (continuing operations)		0.03	0.03	0.06	0.05
- Basic (discontinued operations)		-	-	-	-
- Diluted (discontinued operations)		-	-	-	-
- Basic (total, including discontinued operations)		0.03	0.03	0.06	0.05
- Diluted (total, including discontinued operations)		0.03	0.03	0.06	0.05
Weighted average number of ordinary shares					
- Non-diluted				4,196,462,415	4,195,698,338
- Diluted				4,200,927,032	4,201,506,126

Income (loss) from continuing operations	2,850	(996)	4,199	(11,328)
Income (loss) from discontinued operations, net of taxes	(19)	(230)	(5)	(3,944)
Net income (loss)	2,831	(1,226)	4,194	(15,272)
Net income (loss) attributable to non-controlling interest	8	125	(1)	(1,122)
Net income (loss) attributable to Travelzoo	$ 2,823	$ (1,351)	$ 4,195	$ (14,150)
Net income (loss) attributable to Travelzoo—continuing operations	$ 2,842	$ (1,121)	$ 4,200	$ (10,206)
Net income (loss) attributable to Travelzoo—discontinued operations	$ (19)	$ (230)	$ (5)	$ (3,944)
Income (loss) per share—basic				
Continuing operations	$ 0.24	$ (0.10)	$ 0.36	$ (0.90)
Discontinued operations	$ —	$ (0.02)	$ —	$ (0.35)
Net income (loss) per share —basic	$ 0.24	$ (0.12)	$ 0.36	$ (1.25)
Income (loss) per share—diluted				
Continuing operations	$ 0.22	$ (0.10)	$ 0.32	$ (0.90)
Discontinued operations	$ —	$ (0.02)	$ —	$ (0.35)
Income (loss) per share—diluted	$ 0.22	$ (0.12)	$ 0.32	$ (1.25)

Scenario	Values available	Collection
Bifurcated values available	EPS from discontinued operations attributable to parent shareholders & NCI	Collect EPS from Disc ops attributable to equity shareholders
	NI from discontinued operations attributable to parent shareholders & NCI	
Bifurcation for Net income not available	Total EPS from Discontinued ops (no bifurcation for Parent & NCI values)	Using Net income from discontinued operations attributable to parent shareholders & WASO, calculate & derive EPS from
	Net income from discontinued operations attributable to parent shareholders & NCI	
No Bifurcation Available	Total EPS from Discontinued ops (no bifurcation for Parent & NCI values)	In case bifurcation is not available & no amounts to derive the disc ops value, we will collect the entire value of EPS from discontinued operations
	Total net income from Discontinued ops (no bifurcation for Parent & NCI values)	

6. Tax Rate:

It is the statutory tax rate applicable to the company for the calculation of income tax reported by the company in their financial report.

This information is usually provided in the Income Tax note of the income statement.

If the company has not provided the Statutory Tax Rate applicable to them, then we will use statutory tax rate of the country for the purpose of calculations.

Points to remember:

- If the statutory/corporate tax rate reported by the company does not match the default tax rate available in CPMS, we need to change it.
- We will not consider the applicable/effective tax rate.
- Companies incorporated in countries like Cayman Islands (CYM), Bermuda (BMU), British Virgin Island (BVI), Qatar (QTR) etc, have a default tax rate of 0%, But they may face taxes on their operations in other countries. They may report a different tax rate in their Income tax note. Currently, we do not change the tax rate and use the default 0% tax rate for these companies.
- For backfilling periods, if the tax rate is different from the current tax rate, we need to ensure that the tax rate for these periods is collected as per tax rate prevailing in that particular fiscal year.
  For e.g. Current tax rate for US: 21%
  Tax rate prior to 2019: 27

7. Adjustments Data Points:

The List of Data Points for collection in CPMS Tool.

Sr. No	Adjustments
1	Restructuring/severance /rationalization/integration charges/acquisition costs /merger related expense
2	Stock based compensation
3	FV/MTM financial instruments/derivatives /FX contracts gains/losses /FV change of warrant liabilities
4	Loss/gain on disposal/sale of assets and investments
5	Amortization of Intangibles /Acquired Intangible Assets
6	Write off/early redemption of debt charges/gain on buyback, early extinguishment
7	Foreign exchange gains /losses (including FX on LTD or tax impact on FX)
8	Write down/Impairment of Assets/Investments /OTTI
9	Goodwill/Intangibles Impairment
10	Litigation charges/settlement
11	Dilution gain/loss
12	Tax effect on above items /due to enacted rate changes /prior years/valuation allowance /discrete tax item/one-time tax benefit/charge
13	Pension Expense
14	Presentation /rounding effects
15	Add your own!

Any data point which does not form a part of the first 14 data points will be added as a new data point as Add your own!

Restructuring/severance/rationalization/integration charges/acquisition costs/merger related expense:

Definition: Any expense/cost incurred during or provisions created for restructuring/reorganization of a company and its operations, severance payment paid to employees for early termination or VRS (Voluntary Retirement Scheme), merger/acquisition/integration related expenses.

These are one-time and irregular in nature and needs to be adjusted while calculating the normalized net income.

Inclusions:

- Integration, restructuring and acquisition costs
- Business restructuring and cost reduction plans
- Head office relocation costs
- Acquisition costs
- Merger-related expenses
- Merger integration
- Reverse takeover fees
- Provisions for restructuring
- Actual Severance paid
- Redundancy costs
- Store Closure cost

Exclusions:

- **Provisions for severance**

  In addition to restructuring activities, severance paid due to early termination or VRS is also supposed to be collected in this line item. Although, it must be kept in mind that, provisions created for severance which are treated as pension plans are NOT supposed to be collected. Only the actual amount paid must be collected.

- **Deferred Acquisition costs/Acquisition costs – Insurance companies**

  For insurance companies – Acquisition costs hold a different meaning. Acquisition costs in this case would be the cost an insurer incurs to acquire the premium. Therefore, proper research is required in case of insurance companies, to make sure only cost related to an acquisition of a company is collected.

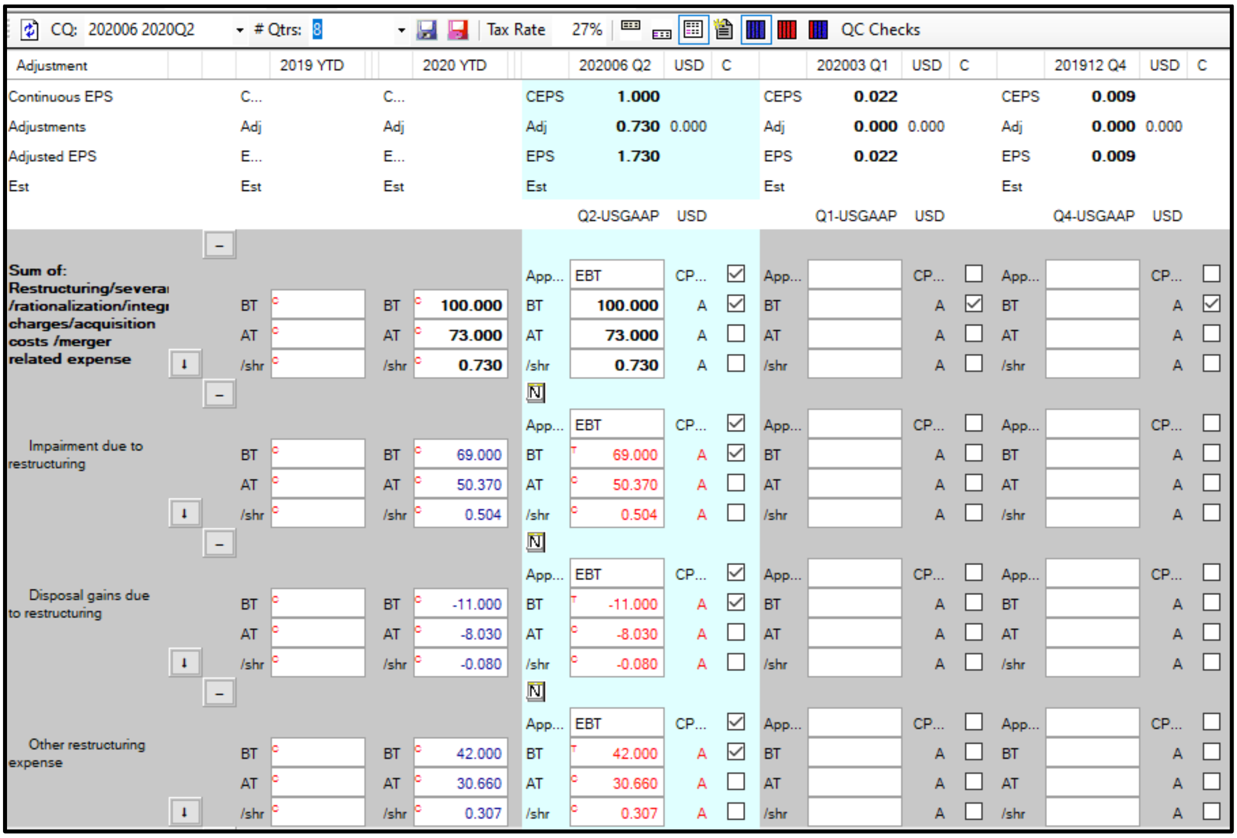
- **Customer acquisition cost**

  It is a marketing expense, and therefore must not be collected.

Notes:

- **Broader Head Tagging:**

  Any impairments/disposals/other expenses related to Restructuring/acquisition need to be collected in the “restructuring adjustment”. Collect all individual items separately under restructuring.



CQ: 202006 2020Q2 # Qtrs: 8 Tax Rate 27% QC Checks

Adjustment		2019 YTD		2020 YTD		202006 Q2	USD	C		202003 Q1	USD	C		201912 Q4	USD	C
Continuous EPS	C...		C...		CEPS	1.000			CEPS	0.022			CEPS	0.009		
Adjustments	Adj		Adj		Adj	0.730	0.000		Adj	0.000	0.000		Adj	0.000	0.000	
Adjusted EPS	E...		E...		EPS	1.730			EPS	0.022			EPS	0.009		
Est	Est		Est		Est				Est				Est			
						Q2-USGAAP	USD			Q1-USGAAP	USD			Q4-USGAAP	USD	
Sum of: Restructuring/severance/rationalization/integration charges/acquisition costs /merger related expense					App...	EBT	CP...	☑	App...		CP...	☐	App...		CP...	☐
	BT		BT	100.000	BT	100.000	A	☑	BT		A	☑	BT		A	☑
	AT		AT	73.000	AT	73.000	A	☐	AT		A	☐	AT		A	☐
	/shr		/shr	0.730	/shr	0.730	A	☐	/shr		A	☐	/shr		A	☐
Impairment due to restructuring					App...	EBT	CP...	☑	App...		CP...	☐	App...		CP...	☐
	BT		BT	69.000	BT	69.000	A	☑	BT		A	☐	BT		A	☐
	AT		AT	50.370	AT	50.370	A	☐	AT		A	☐	AT		A	☐
	/shr		/shr	0.504	/shr	0.504	A	☐	/shr		A	☐	/shr		A	☐
Disposal gains due to restructuring					App...	EBT	CP...	☑	App...		CP...	☐	App...		CP...	☐
	BT		BT	-11.000	BT	-11.000	A	☑	BT		A	☐	BT		A	☐
	AT		AT	-8.030	AT	-8.030	A	☐	AT		A	☐	AT		A	☐
	/shr		/shr	-0.080	/shr	-0.080	A	☐	/shr		A	☐	/shr		A	☐
Other restructuring expense					App...	EBT	CP...	☑	App...		CP...	☐	App...		CP...	☐
	BT		BT	42.000	BT	42.000	A	☑	BT		A	☐	BT		A	☐
	AT		AT	30.660	AT	30.660	A	☐	AT		A	☐	AT		A	☐
	/shr		/shr	0.307	/shr	0.307	A	☐	/shr		A	☐	/shr		A	☐

Restructuring can include variety of activities, which can lead to impairment or disposal of certain assets. Therefore, when impairment, disposal, or other expenses are related to restructuring happen we are supposed to map it in this adjustment, i.e., **‘Restructuring/severance/rationalization/integration charges/acquisition costs/merger related expense’**

Note: Amortization related to acquisition and gain on Step-up acquisition should not be considered under the broader head of restructuring/acquisition. These will be collected under their respective heads of “Amortization of Acquired Intangibles” & “Goodwill Impairment”

Stock based compensation:

Expenses incurred during the year for stock-based compensation, share based payment, stock options expense or any other stock option programs and reversal/recovery of share-based compensation reported by the company in the financial statement.

Note: We would consider it as an adjustment for all the companies except US GAAP following companies. This is due to difference in the accounting policies between IFRS and US GAAP.

Inclusions:

- Stock-based compensation
- Share-based payment expenses
- Equity-based compensation
- Stock option plan
- Employees Share Options expense
- Stock appreciation rights expense
- ESOP expense
- Recovery of stock-based compensation
- Provision for share/stock-based payment/compensation.
- Long Term Incentive Plan (LTIP)
- Cash settled and equity settled
- Manager's fee in units
- IFRS 2 Charge (IFRS 2 relates to Share based compensation)
- BBEEE Expense (ZAF/South-African Market)

Note:

- In case, share based compensation is not provided in income statement notes or cash flow statement, but is present in the Key Management personnel's note, then we are supposed to collect the value from the Key Management Personnel's note.
- Share based compensation from Changes in equity table should not be collected. As the total amount expensed during the year would not be justified from this table, so we should not collect from it.

Example:

Company Name: Husky Energy Inc.

CID: 0C00000DG8

FID: 31835289

DocID: 106653616

Consolidated Statements of Cash Flows

(millions of Canadian dollars)	Year ended December 31, 2015	2014
Operating activities		
Net earnings (loss)	**(3,850)**	1,258
Items not affecting cash:		
Accretion *(note 20)*	**121**	134
Depletion, depreciation, amortization and impairment *(notes 9, 10)*	**8,644**	4,010
Inventory write-down to net realizable value *(note 6)*	**22**	211
Exploration and evaluation expenses *(note 8)*	**242**	6
Deferred income taxes *(note 17)*	**(1,827)**	(191)
Foreign exchange	**27**	71
Stock-based compensation *(note 18)*	**(39)**	(17)
Gain on sale of assets	**(16)**	(36)
Other	**5**	89
Settlement of asset retirement obligations *(note 16)*	**(98)**	(167)
Deferred revenue	**102**	—
Income taxes paid	**(227)**	(661)
Interest received	**3**	7
Change in non-cash working capital *(note 21)*	**651**	871
Cash flow – operating activities	**3,760**	5,585

In most of the scenarios, we would find stock-based compensation as an expense and would be added back to derive normalized net income. But there are few exceptional scenarios where we find recovery of stock-based compensation. In such a scenario, we would subtract it to derive normalized net income. This is basically due to decrease in the value of company's share price.

FV/MTM financial instruments/derivatives/FX contracts/gains/losses/FV changes of warrant liabilities:

Unrealized gain/loss due to mark to market/fair value change in the value of financial investment/assets, derivatives, FX contracts, hedge, warrants assets/liabilities/Investment properties/Biological/fixed assets reported by the company in the financial statement.

Any fair value changes reported in the IS or CF will be mapped to this data point.

Except: FV/MTM gain/loss on foreign exchange, as we already have a dedicated data point for the same.

The company may report financial assets/instruments in one of the below mentioned names:

- Available for sale securities
- Financial instrument
- Financial assets
- Fair value through profit and loss (FVTPL)

- Fair value through other comprehensive income (FVOCI)
- Held for trading
- Financial investments
- Investments

The company may report derivatives assets/liabilities in one of the below mentioned names:

- Derivative assets
- Derivative liabilities
- Derivative instruments
- Swaps
- Warrants
- Options
- Hedging assets
- Hedging liabilities

Note:

We would collect the value of derivatives from income statement and its notes only if the company clearly reports it to be unrealized/fair value/mark to market in nature. Priority for collection of this data point will always be from CF if reported since CF value is unrealized in nature. But the DA always must confirm it to make sure the given CF value is complete.

Inclusions:

- Change in fair value of derivative instruments
- Fair value of swaps
- Change in value warrants, senior convertible note
- Unrealized gain on derivative financial instruments
- Change in the fair value of the warrant liability
- Fair value movement on hedged financial liabilities
- Unrealized loss on held-for-trading investments
- Loss on valuation of investment securities
- Gain on fair value of financial liabilities
- Unrealized loss on securities
- Gain on valuation of financial asset at fair value through profit or loss
- Net valuation gains on property
- Fair value changes on investment properties
- Gain on revaluation of investment properties
- Fair Value changes of contingent consideration/earn-outs

- Fair Value changes of only non-current biological assets (industry specific)
- Fair Value of investment property (industry specific)
- Ineffective portion of cash flow hedges
- Fair value Gains/Loss on derivatives not designated as hedges
- Gain on reclassification of financial instruments from FVOCI to FVTPL
- Gain or loss on derivatives (Reported on cash flow)
- Gain or loss on Securities/investments.
- Gain or loss on financial assets/ financial liabilities.
- Fair value gain on long term/finance lease receivables.
- Gain or loss on valuation of Joint ventures/Associates
- Loss/gain on valuation of Golf membership

Notes:

- Fair value of Investment properties/Biological assets/Exploration assets should be considered only when it forms part of non-current assets.
- In case there is lack of clarity in the nature of the gain or loss, like whether the gain or loss is from fair value measurement or disposal of an asset, example: 'Gain or loss on investments', 'Gain or loss on Securities' etc. – we must consider that line item in 'FV/MTM financial instruments/derivatives/FX contracts/gains/losses/FV changes of warrant liabilities' row. Hence, considering it as a fair value gain or loss.
- Fair value of contingent consideration/ earn-outs must be considered.
- Gain or loss on fair value of financial liabilities must be considered as well. (Exception: we do not include trade payables)
- Gain on derivatives (reported in Income statement/notes) – In case of no clear information on Unrealized/Realized portion we will not collect the line item. We will only collect if it explicitly mentioned as Unrealized gains/losses on derivatives.
- In case the line item is unclear whether it is unrealized or realized, for e.g. "Unrealized gain on sale of property", unless there is proper evidence of the asset being disposed or cash exchanging hands, we will assume it is unrealized and collect in under in 'FV/MTM financial instruments/derivatives/FX contracts/gains/losses/FV changes of warrant liabilities'. (Refer FAQ sheet for case details)

Loss/gain on disposal/sale of assets/investments:

Gain/loss due to sale/disposal of financial assets, fixed assets, investment properties and other assets reported by the company in the financial statement.

Inclusions:

- Gain on sale of investments and other assets
- Gain (loss) on disposal available-for-sale marketable securities, net
- Realized loss on sale of marketable securities, net
- Gain on disposals of available-for-sale investments
- Gain on divestiture of product line

- Loss on sale of business interest
- Gain on deconsolidation of subsidiaries
- Gain on Sale of Real Estate
- Gains on sales of properties
- Gain on disposal of investment properties
- Gain on sale of asset
- (Gain) loss on sale of fixed assets
- Gain/loss on sale of current/non-current investments.
- Profit/Loss on disposal of current/non-current investments.
- Gain on transfer of assets
- Gain on disposal of long-term receivables/finance lease receivables.
- Retirement/derecognition/abandonment of fixed assets
- Gain on scrapping of Fixed assets
- Loss/gain on disposal of Golf membership

Exclusions:

- Gain on sale of foreclosure of assets/ OREO (For Banking Industry)
- Gain on sales of stores & scraps.
- Gain or loss on disposal of Liabilities/Financial liabilities.

Note:

- Disposal of **investment properties/Biological assets/exploration assets** should only be considered when it forms a part of non-current assets.

- In case company has provided '**gain/losses on disposal of assets**' with no clear information on what these assets are, we can still collect it under this adjustment.

- There are many cases where we can get similar line-items, and there might be confusion present about what value to collect. In this situation, we are always supposed to collect the more complete value from the document. In most cases, the complete value is present in the cash flow statement as it includes all the net values. Although, proper research must be done in such cases, as in some situation – income statement values might be the more complete value.

Amortization of Intangibles/Acquired Intangibles:

Expense related to amortization of intangible assets acquired during merger/acquisition/integration of operations. These are typically one time in nature and needs to be collected as a part of the adjustment.

Note:

- If the company reports Amortization on "Acquired Intangibles", we can consider it as an adjustment, **irrespective of the year of acquisition**.
- Amortization related to acquisition should be collected under this adjustment. If the company provides this adjustment as a part of acquisition related expenses, we will still collect it under this adjustment head.

  Exclusions:

  Any other one-off amortization charge should be collected as New Adjustment.

Write off/early redemption of Debt/charges/gain on buyback/early debt extinguishment:

Gain/Loss/Expense associated with early repayment/redemption of debt reported by the company in the financial statement.

Inclusions:

- Loss on early extinguishment of debt
- Loss on early retirement of debt
- Loss on extinguishment of debt and debt refinancing
- Loss from Retirement of Debt
- Loss on debt repurchased
- Gain on settlement of debt obligations
- Debt termination
- Gain on debt consolidation
- Gains/loss on early extinguishment of advances from other banks (even in banking industry)

Exclusions:

Amortization of refinancing transaction costs

Foreign exchange impacts:

Any unrealized gain/loss due to mark to market/fair value change in foreign exchange reported in the financial statement.

Note:

All unrealized gain/loss related to foreign exchange will be mapped to this data points.

We would collect the value of foreign exchange differences from income statement and its notes only if the company clearly reports it to be unrealized/fair value/mark to market in nature. Priority for collection of this data point will always be from CF if reported since CF value is unrealized in nature. But the DA always must confirm it to make sure the given CF value is complete.

The difference between foreign exchange and Forex Contracts is that foreign exchange is related to conversion of local, functional currency to presentation currency of the company. Whereas Forex Contracts is a business agreement in which an entity agrees to buy/sell a certain amount of foreign currency on a specific future date. The purchase/sale is made at a predetermined exchange rate.

We will be collecting Foreign Exchange data point in this section i.e. 'Foreign exchange impacts' and Forex Contracts/derivatives/swaps/options/forwards in data point 'FV/MTM financial instruments/derivatives/FX contracts/gains/losses/FV changes of warrant liabilities'

Inclusions:

- ❖ Foreign exchange revaluation
- ❖ Unrealized foreign exchange gains
- ❖ Unrealized exchange rate fluctuations
- ❖ Unrealized foreign currency exchange gains
- ❖ Finance income/expenses note matches value on CF; forex value given under the notes can be taken (link)
- ❖ Unrealised forex gain on Cash & Cash Equivalents
- ❖ Unrealized appreciation/ depreciation on translation of foreign currency denominated assets & liabilities (mostly in AMC's)
- ❖ Net foreign currency translation gains/losses
- ❖ Foreign currency conversion gains/losses

Exclusions:

- ❖ Exchange differences on cash & cash equivalents (even if mentioned in Cashflow from Operations)
- ❖ Net foreign currency transaction gains/losses
- ❖ Hyperinflationary effects
- ❖ Foreign Exchange fluctuations/variations/ changes – In income statement or notes; not to be considered unrealized unless clearly specified
- ❖ Monetary variations not to be considered unless any information available about forex

Note:

- Unrealized gain on forex transaction should be considered since the unrealized nature of transaction will be given preference.
- We need to only check the foreign exchange gains/losses reported in Cashflow from Operations. Do not compare these values with the forex gains/losses on cash & cash equivalents reported at the end of the cashflow statement.
- Foreign exchange gains/losses reported after working capital changes should also be considered.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT		
	3 months ended March 31, 2020	3 months ended March 31, 2019 converted
Cash flows from operating activities		
Loss of the period	**(4 400)**	**12 512**
Adjustments for items:	**22 766**	**22 605**
Share of units valued by the equity method	1 711	1 789
Profits/(losses) of non-controlling shareholders	2	(8)
Depreciation	14 082	13 997
Gains/(losses) due to exchange rate differences	26 389	197
Net interest and dividends	3 246	4 129
Profit/(loss) on investment activities	145	(32)
Change in receivables	(13 459)	(37 322)
Inventory change	(10 424)	16 261
Change in liabilities with the exception of loans	(1 057)	22 802
Change in the status of accruals	(945)	(1 687)
Change in the status of reserves and deferred tax assets	813	1 901
Income tax paid	(4 844)	(4 820)
Current tax in profit and loss account	6 883	5 394
Exchange differences from the conversion	52	2
Other adjustments	172	2
Net cash from operating activities	**18 366**	**35 117**

Goodwill/intangibles Impairment:

Expense related to impairment/write-down/write-off of Goodwill and intangible assets and its subsequent reversal reported by the company in the financial statement.

This is not usually taxed.

Bargain Purchase and Negative Goodwill also be collected as a part of this data points.

Note: Impairment of intangibles are not taxed. So, BT and AT values should be same. But in case, the company provides the after-tax amount, then we will collect the AT amount.

Inclusions:

- Impairment loss on goodwill
- Negative Goodwill
- Bargain purchase gain
- Goodwill written off
- Impairment of Intangible assets
- Gain on consolidation
- Gain on business combination
- Gain on Step up acquisition*
- Gain on Equity pick up

Note: Gain on step up acquisition should not be collected under the broader head of acquisition/restructuring. This adjustment will be collected under the goodwill impairment.

Write down/impairment of assets/OTTI:

Gain/loss due to impairment/write-down/write-off of assets and their subsequent reversal reported by the company in the financial statement.

Inclusions:

- Write-off exploration and evaluation assets*

- Write-downs for impairment of property, plant and equipment
- Impairment of mineral properties and deferred exploration expenses
- Impairment Losses on Assets Held for Sale
- Impairment Losses Financial Assets*
- Impairment Losses on Investments
- Reversal of Impairment Loss Recognized in Profit or Loss Financial Assets*
- Provision/allowance for impairment of fixed assets/non-current assets
- Impairment of Biological Assets*
- Impairment of investment properties*
- Diminution in value of fixed assets
- Investments in JV & associates – valuation/impairment of investments
- Impairment on long-term receivables/ finance lease receivables/Other receivables *
- Impairment of Non- financial assets – need to check the details available for these assets
- Compression of fixed assets
- Impairment of Deposits

Exclusions:

- Investment property/Biological assets/Exploration Assets – in case of current assets.
- Foreclosed assets in banking template
- Any impairment related to Trade/Account/Bills Receivables, Inventories, Contract Assets*
- Impairment of deferred tax liability (if falls in income statement notes then it should be considered under tax adjustment)
- Impairment of Prepayments/Advances*

Note:

- *Impairment of investment properties/Biological assets/exploration assets - Impairment when reported we need to check if such assets form part of current/non-current asset. This check is necessary as for such companies these assets could form part of inventory & impairment of inventory, we do not collect.
- *Impairment Losses Financial Assets - In case if we don't have a clarity on what forms part of financial asset (e.g., it could include trade receivables) we will not collect the impairment.
- *Impairment on Other receivables – Do not collect if bifurcation between Other/Trade Receivables is not available.
- *Impairment of Prepayments /Advances -Do not collect as prepayments/Advances could be amounts paid for by a business in advance of the goods or services being received later as these are revenue generating operations.

But if we get clarity on it being one-off and related to other than regular business activity (e.g., Impairment loss on prepayment for acquisition, Impairment of Advances from Third party/Joint Venture) then collection should be done as per best fit

- Impairment of assets in non-recurring/adjusted table with no clear bifurcation of amounts. We can still collect it under "Write down/Impairment of Assets/Investments /OTTI
- Impairment of trade receivables/inventory/contract assets/Prepayment/Advances, if presented as extraordinary items, should be collected under "**Add your own**"
- For impairment/write-down of right-of-use assets, the underlying asset must be checked to validate whether the asset is tangible or intangible, and impairment should be considered accordingly.

Impairment available in Balance sheet notes – Priority table:

Scenario	Collection
"Impairment for the year/ impairment during the year" reported in the balance sheet notes	Should be collected even if value can't be tied back from CF or IS
"Impairment was expensed to the income statement" reported on the balance sheet notes	Should be collected even if value can't be tied back as that value impacts our IS
Combined Line item on the IS/CF references to particular balance sheet notes	Any impairment reported in these notes should be collected
Combined Line item on the IS/CF with no references to particular balance sheet notes & no information regarding values charged for the current period	Impairment amounts should not be collected unless they tie back to the value reported on the IS/CF
"Impairment for the year/ impairment during the year" reported in the balance sheet notes and No information given in IS/CF or any notes	Should be collected only if it's during the year charge

Litigation charges/Settlements:

Gain/Loss/charges for litigation/lawsuit reported by the company, insurance claim net of expenses reported by the company in the financial statement.

Inclusions:

- Litigation charges
- Settlement expense/income
- Expense from settlement of lawsuit

- Civil lawsuits
- Patent litigation expense
- Disputed issues and court proceedings
- Insurance income
- Indemnity income
- Claim Losses
- Claim revenue
- Provision for litigation
- Insurance refunds

Exclusions:

- Legal expenses*
- Penalties & fines*
- Insurance expenses – premiums

Note:

- Only provision for litigation incurred during the year would be considered as an adjustment. The entire provision amount for litigation recorded in the balance sheet should not be collected.
- *One-off Legal Fees or One-off Penalties & Fines will be collected under Litigation Adjustment unless there is some clarity that it is arising on acquisition or is related to IPO expenses then it should be tagged according to the best fit.
- Compensation income (generally seen in Japanese market files) should not be collected as an adjustment unless any supporting information is available.

Dilution Gain/Loss:

When the company issues new stock, decreasing existing shareholders ownership percentage of that company.

Inclusions:

- Gain/loss on deemed disposal
- Gain/loss on loss of significant influence
- Gain/loss on dilution of shares associates

Company Name: Warsaw Stock Exchange

Snapshot:

III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2016	2015 (restated)
Cash flows from operating activities:		**205,813**	**93,090**
Cash generated from operation before tax		226,898	110,050
Net profit of the period		131,134	121,542
Adjustments:		95,764	(11,492)
Income tax	24	31,145	28,062
Depreciation of property, plant and equipment	4	13,964	14,996
Amortisation of intangible assets	5	11,829	11,841
Foreign exchange (gains)/losses		7	(55)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		353	182
(Profit) / Loss on sale of investment activity		-	684
Impairment loss on goodwill		-	93
Financial (income) / expense of available-for-sale financial assets		(6)	(485)
Gain on dilution of shares of associate		(5,807)	(2,754)
Income from interest on deposits	23.1.	(6,405)	(6,206)
Interest, cost and premium on issued bonds		7,629	6,633
Change of non-current prepayments	9	(178)	(1,218)
Zmiana stanu pozostałych zobowiązań długoterminowych		2,224	-
Share of (profit)/loss of associates	6	(3,518)	1,530
Other		4,439	208
Change in current assets and liabilities:		40,088	(65,003)

Pension charges/pension expenses:

Gain/Loss due to revision/cancellation of Pension and other retirement plans reported by the company in the financial statement. Under this adjustment, only irregular or one-off pension related items are collected.

Inclusions:

- Curtailment gain on closure of pension scheme to future accrual
- Pension scheme merger costs
- Pension fund curtailment gain
- Loss dissolution of employees' pension fund
- Effect of termination of defined benefit pension
- Special retirement allowance

Exclusions:

- Remeasurement of defined benefit liability or asset.

Discrete Tax Effects/Tax impact on above:

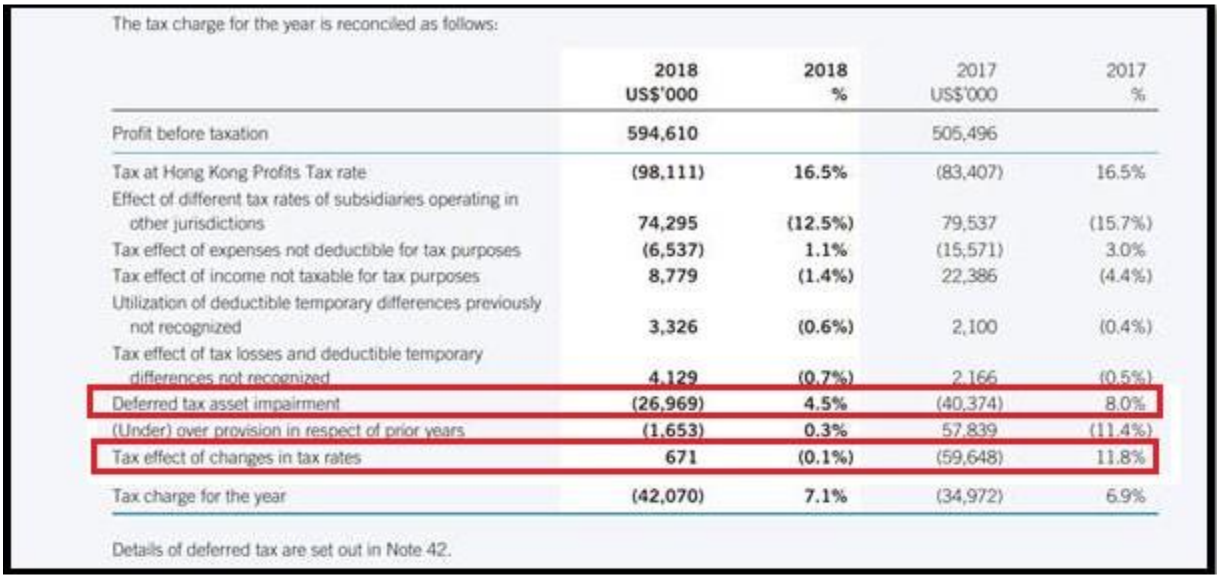
Tax amount on irregular items, unusual tax charges, change in tax rate, tax related to a different period

Inclusions:

- Tax on irregular items
- Effect of tax charges related to prior years
- Effect of tax rate changes
- Deferred tax impairment

- ❖ Effect on deferred tax due to change in income tax rate
- ❖ Effect of changes in the tax rate on recognized tax loss carry-forward and temporary difference.
- ❖ Tax adjustments of other periods (No under/over provisions)
- ❖ Revaluation of deferred taxes
- ❖ Impairment/write-off of Deferred Tax Asset/Liability

Example:



The tax charge for the year is reconciled as follows:

	2018 US$'000	2018 %	2017 US$'000	2017 %
Profit before taxation	594,610		505,496	
Tax at Hong Kong Profits Tax rate	(98,111)	16.5%	(83,407)	16.5%
Effect of different tax rates of subsidiaries operating in other jurisdictions	74,295	(12.5%)	79,537	(15.7%)
Tax effect of expenses not deductible for tax purposes	(6,537)	1.1%	(15,571)	3.0%
Tax effect of income not taxable for tax purposes	8,779	(1.4%)	22,386	(4.4%)
Utilization of deductible temporary differences previously not recognized	3,326	(0.6%)	2,100	(0.4%)
Tax effect of tax losses and deductible temporary differences not recognized	4,129	(0.7%)	2,166	(0.5%)
Deferred tax asset impairment	(26,969)	4.5%	(40,374)	8.0%
(Under) over provision in respect of prior years	(1,653)	0.3%	57,839	(11.4%)
Tax effect of changes in tax rates	671	(0.1%)	(59,648)	11.8%
Tax charge for the year	(42,070)	7.1%	(34,972)	6.9%

Details of deferred tax are set out in Note 42.

Exclusions:

- ❖ Tax loss carry forwards /reversal of tax loss carry forwards
- ❖ Tax Credits
- ❖ Effect of different tax rates of subsidiaries
- ❖ Temporary differences/ permanent differences
- ❖ Under/over provision of taxes
- ❖ Historic tax credits

Points to remember:

- ❖ Preference must be always given to the “Tax reconciliation” table.

0 vs null	
1. When -/null is given	meds take as 0 and calculate as it is
	Fiscal

- ❖ In the tax note, if we observe that any of our collected adjustments fall under “Non-taxable items/ Non-tax deductible items” we should keep the BT & AT value of such adjustments as same and not collect any tax adjustment for it. This is done because the company itself says that these items are not deductible for any taxes.

- When a company reports the BT value of adjustment & the corresponding tax adjustment, we will collect the same value in BT & AT cell & collect the corresponding tax adjustment in “Discrete Tax Effects” adjustment.

- In case tax related information is not available in Quarters/semi-annual reports, but the same is available in Annual report, we need to ensure sensible collection and consistency is maintained. On finding tax impact/ item mentioned as non-tax deductible in the annual report, we will keep the BT & AT value same in all quarters/semi-annual.

  Also, if tax impact is available only in the annual report, we will assume that the entire tax impact has happened in the second half/fourth quarter itself and keep BT &AT same in all previous periods

  It will be the responsibility of the analyst processing the annual, to make the necessary changes in the previous periods.

Example:

Company Name- Pilbara Minerals Ltd

CID- 0C00000W69

Effective Period-201806

2.6.2 Reconciliation of income tax expense

	2018 $'000	2017 $'000
Loss before tax from continuing operations	(19,415)	(25,954)
Tax using the Company's domestic tax rate of 30% (2017: 30%)	(5,825)	(7,786)
Tax effect of items which are not deductible in calculating taxable income:		
Non-deductible expenses		
Share based payment expense	1,389	3,725
Research and development offset	(278)	-
Other	18	20
Tax losses not recognised	11,366	4,445
Temporary differences not brought to account	(6,670)	(404)
Income tax expense reported in the consolidated statement of profit or loss	-	-

In this case there was no tax information about share based payment in the first half. Whereas the annual report mentions share-based payment as a "Non-deductible expense". Here, we will keep the BT & AT values in Both H1 & H2 same.

Rounding-Off:

If the company has provided reported adjusted EPS and we are off due to rounding off difference, then the difference needs to be added here.

Example:

Suppose an analyst agrees with all the adjustments reported by the company to arrive at the company reported normalized EPS but finds out there's a small difference of $0.01 between the company reported normalized EPS and the calculated normalized EPS in our system due to rounding-off, then this difference will be collected as a part of this datapoint.

Inclusions:

Extraordinary gain/losses total differences need to be adjusted under "rounding-off". (Usually seen in Japanese filings)

Add your own!

Any new item which cannot form a part of the above adjustments needs to be added here.

Inclusions:

- IPO Expense
- Loss due to Earthquake/Hurricane/Theft/other natural calamities
- Income/Loss due to termination of contracts
- Gain on termination/modification of leases.
- First time adoption of IFRS 16 (Impact on net income)
- Loss on temporary closures of stores
- Gain on entrusted loans
- Hyperinflationary effects*
- Impairments on assets other than fixed assets, intangible assets & investments*
- Pre-opening costs*

  *The above line items should be collected only if reported as extraordinary items

  E.g., Extraordinary impairment of Receivables/inventory/Prepayments/Advances/Contract Assets

- Rent concessions
  i. Rent Concession is due to Covid-19
  ii. Rent Concession is arising out of some modification in terms of lease agreement which becomes like Gain/Loss arising on Lease Modification

- Any one-off amortization charge not arising out of acquisition.

(Below are a few examples of the ones to be tagged under Add Your Own if it is reported as one-off by the company. This list is not exhaustive changes can occur based on the information in the report)

  - Amortization - franchise fees
  - Amortization of debt issuance costs
  - Amortization of inventory step-up
  - Amortization of internally developed software

Exclusions:

- Stock/Bond Issuance cost

8. Points to Remember

Important Notes

- Any financial effect on Trade receivables/Account receivables or Trade payable/Account payable are strictly not to be considered. Example – Impairment on Trade receivables/Account receivables.
- Financial effects on receivables of other kinds like long term financial receivables can be considered. Example – Impairment on long-term financial receivables, finance lease receivables, fair value gain on long-term receivables. Although, the analyst has to make sure the receivable does not form a part of Trade/Account receivables.
- Collection of adjustments from Direct Cashflow statement:

  Only actual payments/receipts for valid adjustments (e.g., severance paid, proceeds from litigation, etc.) given under Direct Cashflow will be taken, rest all adjustments should not be collected. While collecting adjustments from direct cashflows, we need to reverse the signs as the payments are reported in negative & receipts are presented in positive.

  Please Note: If the company reports forex gains/losses in a Direct cash flow statement, we should not take the adjustment as these transactions are realized in nature.
- As reported "Per Share" value of adjustments

  If the company reports per share value of an adjustment, the reported value should be given preference. Even if the calculated number is rounding off to the reported number, we would still collect the reported value only.
- Refer to annual report:

  Usually, quarter reports will present very limited data. There may be chances where even the detailed notes are not available. In these cases, if we are unsure about a certain line item, we should refer to the previous annual (or current annual if available) to check for more details.

  For e.g., Companies include trade receivables as a part of financial assets. But this detail might not be clearly available in the Quarter report. We can simply refer to the available annual report and see if we are able to find more details such as the definition or bifurcation of financial assets.

Q4 and Annual collection policy:

Below table will help us to understand the collection policy between Q4 and Annual:

Report type	Discrete (3M)	YTD (Annual)	Collection for Q4
Q4 report	Yes	Yes	Collect discrete Data
Q4 report	No	Yes	Derived Q4 Data with the help of YTD
Annual Report*	Yes	Yes	In case discrete values are available in Annual report we can restate if there are discrepancies in the collected Q4 numbers
Annual Report*	No	Yes	If as reported discrete numbers are collected from Q4 report, we should not overwrite this value & collect the annual numbers in fiscal column only. But if Q4 numbers are calculated/derived from YTD numbers in Q4 report, then we can overwrite Q4 numbers with Annual-YTD numbers.

*Reported annual numbers should be collected in the Fiscal Column.
Note 1: we will not delete any values from the fiscal column
i.e., if a value is available/collected in any of the quarters, will flow that value to the fiscal column as well.

Note 2: if both the discrete Q4 value & YTD value is reported in the same annual document we will give preference to the discrete value.

Restatement Criteria:

We need to restate historical period even if 'Restated' word is not mentioned on the comparable period.

Example: If we are doing 2020 03 Q1 then we need to restate its previous period i.e. 2019 03 Q1 even if the restated word is not mentioned on the top of it. If you see any changes in restated period in such, we need to restate it.

If any restated values are available in the current document for any previous periods, changes should be made in the respective quarters.

Example: In the Q3 document and we get restatements for Q2 & Q1 figures, we will go ahead and make the changes.

Values can either be overwritten(modified) or new values can be added in case these changes are reported by the company, but we cannot delete any value from the previous period if not available in the current period.

If the company reports zero for an adjustment for which they had provided a value in the previous report, we can delete the adjustment from the previous period.

Example:

2019 Q1 Report		
Cashflow statement	2019	2018
Restructuring expenses	10	5
2020 Q1 Report		
Cashflow statement	2020	2019
Restructuring expenses	20	0

As the 2019 value for restructuring expenses has been changed to zero in the latest report, we will delete the adjustment from the previous period.

Zero/Hyphen Vs Null policy

Whenever a line item has values reported as “0” (zero) / “– " (hyphen) then we should consider such reporting as 0 (zero).

In this way, we will not differentiate the policy between Zero and hyphen. But if the company reports any line item as blank/ null, then we will not consider it as 0 and let the previously collected values flow to YTD.

Unless a line item is specifically reported as 0 or “-“, we will not collect 0 in CPMS

Note: 0 or “-“ should not be collected in discrete columns.

Industry Specific guidelines

Industry specific collection policy					
Line-items	Normal	Banking	Insurance	Asset Management	REIT
FV/MTM financial instruments/derivatives /FX contracts gains/losses /FV change of warrant liabilities					
Gain/Loss on fair value of securities/marketable securities/financial assets/financial liabilities/derivatives	Yes	No	No	No	Yes
Gain/Loss on fair value of equity investments measured at fair value through profit or loss	Yes	No	No	No	Yes
Gain/Loss on fair value of foreclosed assets/other real estate owned	Yes	No	Yes	Yes	Yes
Gain/Loss on fair value of investment properties(Only Non-current)	Yes	Yes	Yes	Yes	Yes
Gain/Loss on fair value of development/trading properties	No	No	No	No	No
Gain/Loss on fair value of biological assets (Only Non-current)	Yes	Yes	Yes	Yes	Yes
Gain/Loss on fair value of contingent consideration/earn-out liabilities	Yes	Yes	Yes	Yes	Yes
Loss/gain on disposal/sale of assets and investments					
Gain/ Loss on disposal of securities/marketable securities/financial assets/financial liabilities/derivatives	Yes	No	No	No	Yes
Gain/Loss on disposal of equity investments measured at fair value through profit or loss	Yes	No	No	No	Yes
Gain/Loss on disposal or sale of foreclosed assets/other real estate owned	Yes	No	Yes	Yes	Yes
Gain/Loss on disposal of investment properties	Yes	Yes	Yes	Yes	Yes
Gain/Loss on disposal of development/trading properties	No	No	No	No	No
Gain/Loss on disposal of stake in other companies	Yes	Yes	Yes	Yes	Yes
Write down/Impairment of Assets/Investments /OTTI					
Gain/Loss on impairment/write down of securities/marketable securities/financial assets/liabilities derivatives	Yes	No	No	No	Yes
Gain/Loss on impairment/write down of equity investments measured at fair value through profit or loss	Yes	No	No	No	Yes
Gain/Loss on impairment/write-down of foreclosed assets/other real estate owned	Yes	No	Yes	Yes	Yes
Gain/Loss on impairment/write-down of investment properties	Yes	Yes	Yes	Yes	Yes
Gain/Loss on impairment/write-down of development/trading properties	No	No	No	No	No
Gain/Loss on impairment/write-down of stake in other companies	Yes	Yes	Yes	Yes	Yes
Gain/Loss on impairment/write-down of Joint ventures/associates	Yes	Yes	Yes	Yes	Yes
Gain/Loss on disposal of stake in other companies *	Yes	Yes	Yes	Yes	Yes
Foreign exchange gains /losses (including FX on LTD or tax impact on FX)					
Unrealized foreign exchange gains	Yes	Yes	Yes	Yes	Yes

8.1.1. Banking Companies:

Adjustments related to financial investments excluded in B/I/V template: Since dealing with financial securities forms a core part of these businesses, we should not collect any fair value/disposal/impairment gains/losses on financial assets/liabilities.

Equity method investments/stake in other companies: Since equity method investments do not form part of the trading book for banking/insurance/asset management companies, we are supposed to collect all Disposal/Impairment/Write-down on stake in other companies (Equity method investments).

Other Real Estate Owned (OREOs): In case of banking template files, we do not collect any adjustments related to OREOs as they are believed to be part of operating assets. Additionally, even though banks are not in the business of buying and selling property they are in the business of loans and keeping collateral if the terms of loans are not satisfied.

8.1.2. Insurance companies:

Adjustments related to financial investments excluded in B/I/V template: Since dealing with financial securities forms a core part of these businesses, we should not collect any fair value/disposal/impairment gains/losses on financial assets/liabilities.

Acquisition Cost: For insurance companies – Acquisition costs hold a different meaning. Acquisition costs in this case would be the cost an insurer incurs to acquire the premium. Therefore, proper research is required in case of insurance companies, to make sure only cost related to an acquisition of a company is collected.

Equity method investments/stake in other companies: Since equity method investments do not form part of the trading book for banking/insurance/asset management companies, we are supposed to collect all Disposal/Impairment/Write-down on stake in other companies (Equity method investments).

8.1.3. Asset management companies:

Adjustments related to financial investments excluded in B/I/V template: Since dealing with financial securities forms a core part of these businesses, we should not collect any fair value/disposal/impairment gains/losses on financial assets/liabilities.

Multiple funds reported in the document: Many Asset management companies would report the financial data for multiple funds in one single report. We have to make sure proper fund data is to be collected.

8.1.4. Real Estate Investment Trust:

Development/Trading properties excluded: Development/trading properties are the kind of properties which a real estate company would hold for the sole reason of selling and generating revenue out of it. As these properties form part of their trading assets, we should not collect any impairment or revaluation of trading properties.

Non- current Investment properties included: An investment property is real estate property purchased with the intention of earning a return on the investment either through rental income, the future resale of the property, or both. Thus, any fair value or disposal or impairment related to these properties should be included.

Manager's fees in units: Generally, trust would have units instead of shares. Hence, we would consider these fees in Share based compensation which occurs in REITs.

8.1.5. Mining industry:

Rehabilitation provision: Mining companies make provision for the costs of rehabilitation of the environment affected by mining before they even begin mining operations. Thus, these costs are operating in nature and should not be collected unless the company specifies it as irregular.

Priority Table:

In case of discrepancies between values reported for a line item in the document, priority for collection will be as follows

I. Company Reported Adjustment Table
II. More complete/net off value
III. Higher value

Note: Precise/absolute values to be given preference.

8.1.6. Company reported adjustment table

Values in the non-recurring/ adjusted tables reported by the company are given preference over values reported in other places within the report.

Company Name: M&G

Company ID: 0C000052QZ

Effective date: 201912

Collection: We will collect the value from the adjusted operating income and operating expenses. As the company is reporting only (198) as the restructuring cost in the adjustment table, therefore, we are not supposed to consider the restructuring costs present in the administrative and other expenses note.

3 Segmental analysis (continued)

3.4 Reconciliation of adjusted operating income and management expenses to total revenues and expenses as presented in the consolidated income statement

The following tables provide a reconciliation of adjusted operating income and adjusted operating expenses, presented in the tables above, to total revenue net of reinsurance and total charges net of reinsurance respectively, as presented in the consolidated income statement:

	For the year ended 31 December			
	2019		2018	
	Income £m	Expense £m	Income £m	Expense £m
Adjusted operating income and operating expenses	1,987	(963)	2,738	(917)
Other net shareholder expenses	139	(29)	21	(237)
Benefits and claims and movement in unallocated surplus of the With-Profits Fund, net of reinsurance	26,493	(26,493)	(5,070)	5,070
Movements in third-party interests in consolidated funds	1,005	(1,005)	(291)	291
Annuity and with-profit administration expenses	1,603	(1,603)	1,447	(1,447)
Tax charge attributable to policyholder returns	440	—	(406)	—
Short-term fluctuation in investment returns	297	—	(3)	—
Loss on disposal of business and corporate transactions	53	—	(508)	—
Restructuring and other costs	—	(198)	—	(109)
Other	112	(111)	(76)	42
IFRS total income and total expenses from continuing operations	32,129	(30,402)	(2,148)	2,693

6 Administrative and other expenses

		For the year ended 31 December	
	Note	2019 £m	2018 £m
Staff and employment costs		586	713
Acquisition costs incurred:			
Insurance contracts		168	166
Investment contracts		20	27
Amortisation of deferred acquisition costs:			
Insurance contracts	14	7	5
Investment contracts	14	10	10
Depreciation	16	97	89
Amortisation of intangible assets	13	11	13
Impairment of goodwill and intangible assets	13	23	27
Impairment of tangible assets	16	—	30
Restructuring costs		201	256
Expenses under arrangements with reinsurers		112	4
Interest expense		154	97
Commission expense		263	321
Investment management fees		221	205
Property-related costs		152	148
Other expenses		851	553
Total administrative and other expenses from continuing operations		2,876	2,664

8.1.7. More complete/net off value

In case values are reported in two places, try to look for a more complete or net off value.

In situations where there is no further clarification/ information, collect values from the cash flow statement as the company reports the net off values here.

Company Name: Qatar Navigation Q.P.S.C.

Company Id: 0C00003DRR

Effective date: 20200930

Collection: We will collect the value from the cash flow statement. (-6.282)

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED INCOME STATEMENT
For the nine month period ended 30 September 2020

	Notes	For the nine-month period ended 30 September 2020 (Unaudited) QR'000	2019 QR'000
Operating revenues	5	**1,711,832**	1,834,923
Salaries, wages and other benefits		**(429,318)**	(442,188)
Operating supplies and expenses		**(589,456)**	(728,151)
Rent expenses		**(1,820)**	(7,285)
Depreciation and amortisation		**(276,508)**	(269,095)
Provision for impairment of trade receivables		**(13,027)**	(6,663)
Other operating expenses		**(115,666)**	(101,148)
OPERATING PROFIT		**286,037**	280,393
Finance cost		**(62,893)**	(80,078)
Finance income		**14,696**	20,337
Gain on disposal of investment properties		**73,646**	-
Gain on disposal of property, vessels and equipment		**14,316**	6,732
Share of results of associates		**326,476**	266,936
Share of results of joint arrangements		**165,682**	167,738
Net (loss) gain on foreign exchange		**(1,270)**	15
Impairment of vessels		**(432,145)**	(243,425)
PROFIT FOR THE PERIOD		**384,545**	418,648
Attributable to:			
Equity holders of the parent		**383,661**	418,868
Non-controlling interest		**884**	(220)
		384,545	418,648
BASIC AND DILUTED EARNINGS PER SHARE *(attributable to equity holders of the parent) (expressed in QR per share)*	14	**0.34**	0.37

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2020

	For the nine-month period ended 30 September 2020 (Unaudited) QR'000	2019 QR'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**384,545**	**418,648**
Adjustment for:		
Depreciation of property, vessels and equipment	**197,322**	**200,503**
Depreciation of investment property	**20,655**	**40,019**
Amortisation of intangible assets	**6,670**	**7,647**
Depreciation of right-of-use assets	**51,861**	**20,926**
Gain on disposal of investment properties	**(81,680)**	**-**
Gain on disposal of property, vessels and equipment	**(6,282)**	**(6,732)**
Share of results of associates	**(326,476)**	**(266,936)**
Share of results of joint arrangements	**(165,682)**	**(167,738)**
Provision for employees' end of service benefits	**11,064**	**13,268**
Dividend income	**(143,448)**	**(149,643)**
Net fair value loss on financial assets at fair value through profit or loss	**-**	**1,675**
Impairment of vessels	**432,145**	**243,425**
Impairment of trade receivables	**13,027**	**6,663**
Loss (Profit) on disposal of investment securities	**9,715**	**(5,981)**
Finance costs	**62,893**	**80,078**
Finance income	**(14,696)**	**(20,337)**
Operating profit before working capital changes:	**451,633**	**415,485**
Changes in:		
Inventories	**(19,212)**	**22,254**
Trade and other receivables	**(3,869)**	**11,461**
Trade and other payables	**(11,812)**	**(28,287)**
Cash flows from operating activities	**416,740**	**420,913**
Employees' end of service benefits paid	**(8,681)**	**(14,139)**
Net cash from operating activities	**408,059**	**406,774**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, vessels and equipment	**(132,273)**	**(106,286)**
Dividend income	**143,448**	**149,643**

8.1.8. Higher value

In case there is a difference between the values reported on the face of the Income statement & breakup available in notes, we will consider the higher value.

Company Name: Chugai Pharmaceutical

Company ID: 0C00000Y97

Effective date: 201912

Collection: In this case, we have two instances of stock-based compensation present in the same report. Both the note form a part of income statement. In Note 26: the total for stock compensation equals 300 million Yen, on the other hand, in Note 24: stock compensation expense equals to 309 million Yen.

We are supposed to give priority to the higher value adjustment, when similar adjustments are present in income statement and income statement notes. Therefore, in this case we are supposed to collect the value from note 24, which is 309 million Yen.

24. Employee benefits

Expenses related to employee benefits (Unit: Millions of yen)

	Current fiscal year (Self-imposed January 1, 2019) december 31, 2019)	Previous consolidated fiscal year (Self-imposed January 1, 2018) December 31, 2018)
Wages and Salaries	77,496	74,551
Social insurance premiums	9,201	9,064
Defined contribution system expenses	992	973
Operating expenses related to the defined benefit system	4,369	4,427
Stock compensation expenses	309	286
Other employee benefits	9,374	4,235
Total operating expenses	101,742	93,535
Net interest expenses related to the defined benefit system	88	53
Total	101,830	93,588

The main other employee benefits are the cost of benefits and early retirement incentives.

26. Stock Compensation

The Group has established an equity settlement-type stock compensation system for directors and some employees. This in accordance with IFRS No. 2 (compensation based on shares), evaluates the fair value of the grant date, and the period of confirmation expenses.

From FISCAL 2017, we will promote further sharing of value to shareholders and the Company's medium- to long-term performance with directors, etc. incentives to further enhance corporate value and continuously improve corporate value. limited stock compensation in place of the current stock option compensation.

Expenses related to stock compensation (Unit: Millions of yen)

	Current fiscal year (Self-imposed January 1, 2019) december 31, 2019)	Previous consolidated fiscal year (Self-imposed January 1, 2018) December 31, 2018)
Cost of sales	1	1
Selling expenses	25	29
R&D expenses	59	60
General and administrative expenses, etc.	215	192
Total	300	282

Checklist

- Check Symbol Name & Ticker
- Check the currency code & the reporting currency.
  i. Crosscheck with Meds currency
  ii. If not available in MEDS, reach out to TLs/Senior DA
- Collection should be done on Earnings page first & then move to adjustments.
- Collection of consolidated data or group data
- Collect only current year values & in absolute figures
- Collect Discrete values & not YTD/cumulative values.
- Check Sign values for Discontinued operations.
- Collection of EPS in its highest denomination
- Collection of statutory/corporate tax rate.

- ❖ Sign collection -In normal cases, we generally take Cashflow values as it is (i.e. the sign should be positive in case of Loss & vice-versa) & Income Statement - in Reverse sign
- ❖ Check notes for every line item
- ❖ Collection of Restated data
- ❖ Recheck adjusted EPS with estimated EPS

Click here for more detailed Checklist

Country specific and other important documents

China

Chinese Simplified

Under China market key point to focus is on the non-recurring table as most of the adjustment data points are available in the table.

Korea

Generally, the documents would be available as standalone and consolidated. This document will help us to understand how to figure out the right collection report as well as some key translation items.

US GAAP

This majorly focuses on the various types of adjusted tables available in US GAAP following companies and a few more policies specific to these companies.

Canada

The MD&A report along with the regular financial report makes this market a bit different from other markets.

Turkish

Under Turkish market the shares are represented as lot sizes. Detailed information on conversion is given in the document.

Polish

It includes a small point to note down on the cashflow part, which in other markets is not usual.

Arabic

Arabic filings are much difficult on the translation part to understand. Some best practices and tips are available in the Arabic research report.

Japanese

Few key points in the Japanese market files are different from other markets. An important differentiation being the reporting of extraordinary items in the Income statement. Also, some key adjustments to map under different heads are specified in the research report.

Stock Split

CPMS has an option to apply split. The document helps one to understand how, what and when the factor should be applied.

MCS

This document will help to understand the collection policy related to multiple common shares. As per NPM scope, collection of EPS as well as the WASO is explained in detail.

MCS & Stock Split template

While collecting data in case of MCS/ stock split, it is necessary to ensure that we have the right conversion ratio (MCS) or the right split/consolidation ratio to derive the correct WASO & EPS.

This sheet can be used for the calculation & verification of conversion ratio/split ratio.

ADR & CPO

These documents will help us to understand how shares should be collected in some of the markets. CPO specifically related to Mexican filing shares collection for some companies.

EPRA Earnings research

We would find this EPRA table in REIT industry. A specific collection policy is stated in the report to help analyst on the collection of adjustments

IPO

IPO collection process is bit different from another normal file processing. There are some examples and general practices to follow for processing IPO filings

AMC – US market collection

In US filings AMCs have more specific points for EPS and WASO collection, these are explained in detail with document

Fiscal Year End Change

Some companies might change their fiscal year end - to show the effect of these fiscal year end changes, we need to follow a few steps that are enlisted in this document.

FAQ

Commonly asked questions & calls taken for few exceptional cases have been consolidated and recorded for future reference.

A Complete Example

Example:

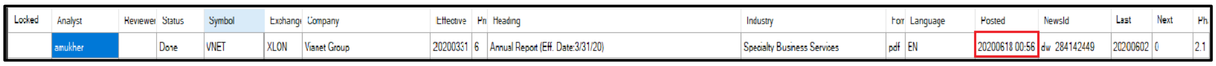
Company Name: Vianet Group - VNET

CID: 0C00000Q4I

DocID: 284142449

Step 1:

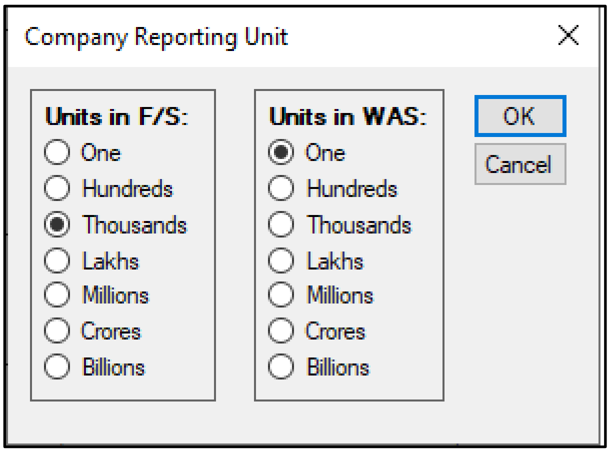
The first step while processing a file would be to look for the proper file date – the date when company made the report public. If the date is not available in the document itself, then we must take the reported date in CPMS application.



Locked	Analyst	Reviewer	Status	Symbol	Exchang	Company	Effective	Pri	Heading	Industry	For	Language	Posted	NewsId	Last	Next	Ph
	amukher		Done	VNET	XLON	Vianet Group	20200331	6	Annual Report (Eff. Date:3/31/20)	Specialty Business Services	pdf	EN	20200618 00:56	dw 284142449	20200602	0	2.1

Step 2:

Before starting to fill data, we must check if we have selected the proper reporting unit in the CPMS application. To change the reporting unit – right click on any cell in the earnings page and then click on the option 'change tagging unit'. This will open a box where we must select the company reported unit.



In this case, the net income is reported in thousands, whereas the weighted average number shares outstanding is reported as it is. Hence, the units in F/S should be thousands, and the Units in WAS should be one. The application will convert all numbers in millions, except per share amount.

Step 3:

Filling the earnings page. For filling the earnings page in our application, we need – Weighted average number of common shares outstanding, Net income attributable to common shareholders, and earnings per share. In most cases, we can find this information in the earnings per share note or the statement of profit or loss itself.

To fill the data in the application, we just have to select the value from the document and click on the respective cell in the application, and it will auto fill the data in the application.

In this case, we can find all these information in the earnings per share note.

8. Earnings per share (continued)

	2020 Earnings Â£000	2020 Basic earnings per share	2020 Diluted earnings per share	2019 Earnings Â£000	2019 Basic earnings per share	2019 Diluted earnings per share
Post-tax profit attributable to equity shareholders	2,431	8.56p	8.47p	2,480	8.87p	8.80p

	2020 Number	2019 Number
Weighted average number of ordinary shares	28,410,348	27,959,532
Dilutive effect of share options	281,866	216,908
Diluted weighted average number of ordinary shares	28,692,214	28,176,440

As you can see, the post-tax profit attributable to equity shareholders is in thousands, and the weighted average number of ordinary shares is in actual units. Although the earnings per share is in pence. This means the EPS has to be collected in the higher denomination. In most cases, if the letter 'p' is attached to EPS, the application would convert the value in higher denomination by itself, but there would be situations where it has to be manually converted.

Editor - [EarningReport VNET - Vianet Group (31020010 - Specialty Business Services)]

PRODDB-Singapore GlobalEPS Symbol: Vianet Group - VNET

CQ: 202003 2020Q4 # Qtrs: 8

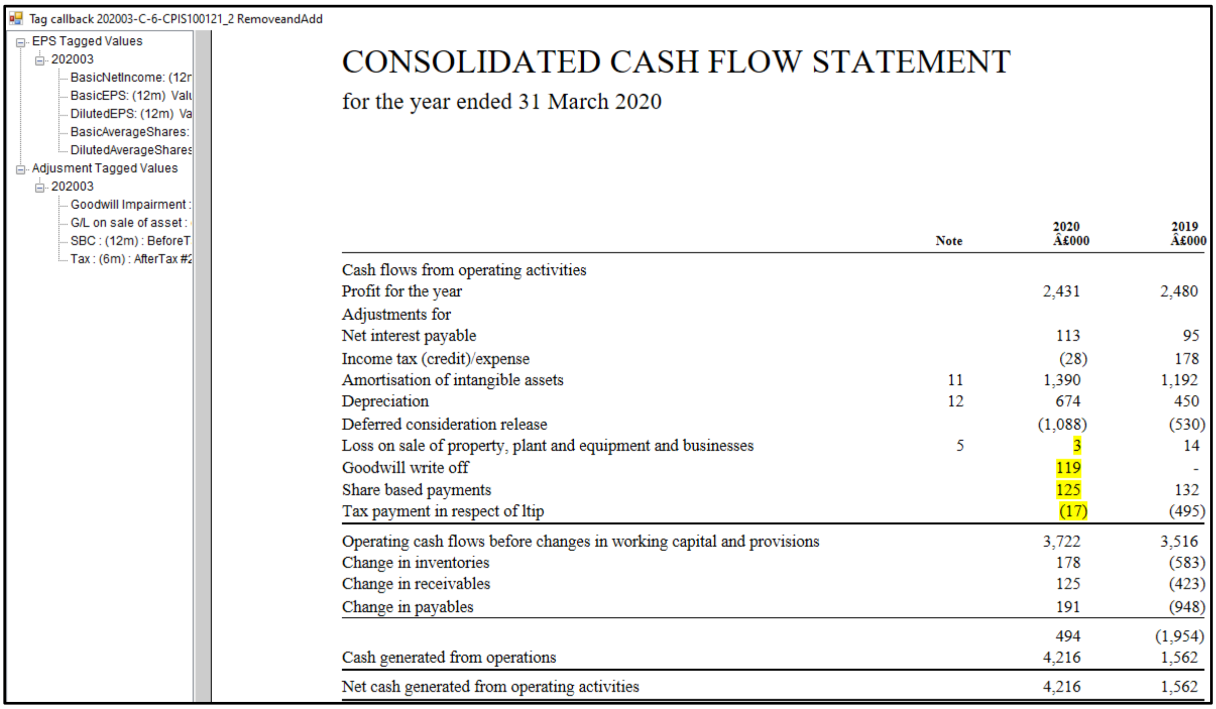
	2019 YTD GBP USGAAP	2020 YTD GBP USGAAP	2020 F GBP USGAAP	202003 H2 GBP USGAAP	201909 H1 GBP USGAAP
File Date	20190605	40391814	20200602	20200602	20191212
Basic WAS	0.000	28.410	28.410	28.671	28.149
Diluted WAS	0.000	28.692	28.692	29.112	28.273
Net Income	0.000	2.431	2.431	0.742	1.689
Disc Ops	0.000	0.000	0.000	0.000	0.000
Continuing operations		2.431	2.431	0.742	1.689
Basic EPS	0.000	0.086	0.086	0.026	0.060
Basic Disc EPS	0.000	0.000	0.000	0.000	0.000
Basic Cont EPS	0.000	0.086	0.086	0.026	0.060
Basic Adjusted EPS	0.000	0.086	0.086	0.026	0.060
Diluted EPS	0.000	0.085	0.085	0.025	0.060
Diluted Disc EPS	0.000	0.000	0.000	0.000	0.000
Diluted Cont EPS	0.000	0.085	0.085	0.025	0.060
Diluted Adjustments	0.000	0.006	0.006	0.021	-0.015
Diluted Adjusted EPS	0.000	0.091	0.091	0.046	0.045

As this is an annual report, all the values are inputted in the YTD cell. YTD cell would derive the discrete H2 value. Notice in this case, there is no discontinued ops value, hence we would have to enter 0 in its place.

Step 4:

Filing the adjustment page. Adjustment page is where we are normalising the net income by collecting various irregular and non-core items. The data points for the adjustment page are present in various sources, like Income statement, Cash flow statement, Income statement Notes, Management discussion and analysis, etc. Therefore, it is crucial to go over the entire file, so all the adjustments could be collected.

In this case, we have three four adjustments which we can consider from the cash flow statement itself.


Tag callback 202003-C-6-CPIS100121_2 RemoveandAdd

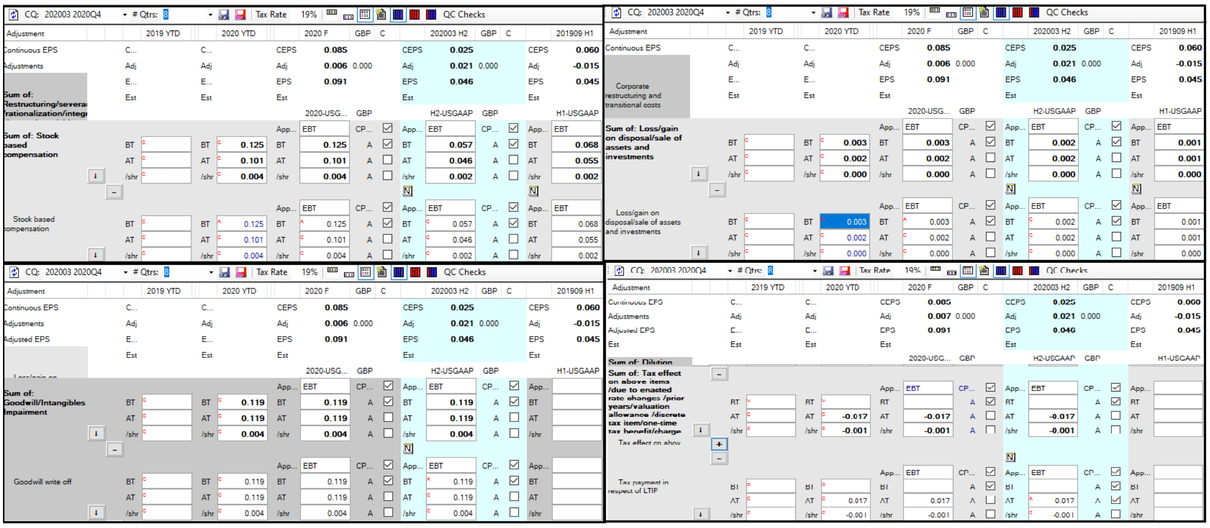
EPS Tagged Values
202003
BasicNetIncome: (12r
BasicEPS: (12m) Valu
DilutedEPS: (12m) Va
BasicAverageShares:
DilutedAverageShares
Adjusment Tagged Values
202003
Goodwill Impairment :
G/L on sale of asset :
SBC : (12m) : BeforeT
Tax : (6m) : AfterTax #2

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2020

	Note	2020 Â£000	2019 Â£000
Cash flows from operating activities			
Profit for the year		2,431	2,480
Adjustments for			
Net interest payable		113	95
Income tax (credit)/expense		(28)	178
Amortisation of intangible assets	11	1,390	1,192
Depreciation	12	674	450
Deferred consideration release		(1,088)	(530)
Loss on sale of property, plant and equipment and businesses	5	3	14
Goodwill write off		119	-
Share based payments		125	132
Tax payment in respect of ltip		(17)	(495)
Operating cash flows before changes in working capital and provisions		3,722	3,516
Change in inventories		178	(583)
Change in receivables		125	(423)
Change in payables		191	(948)
		494	(1,954)
Cash generated from operations		4,216	1,562
Net cash generated from operating activities		4,216	1,562

We have to just select the amount we want to collect and then click on the appropriate cell to consider the value.



Moving forward, we can find an exceptional item note later in the document

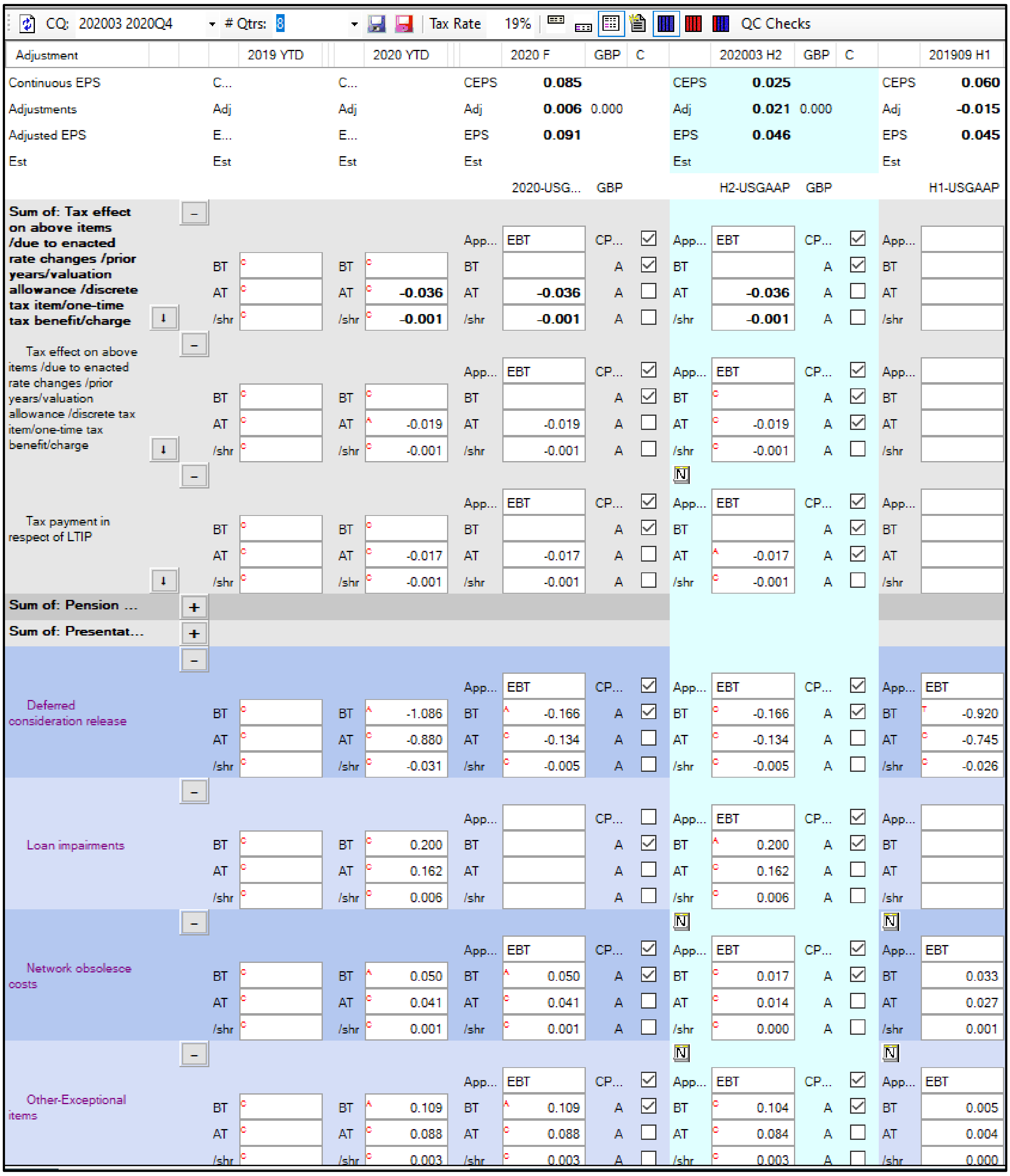
4. Exceptional items	2020 Â£000	2019 Â£000
Corporate activity and Acquisition costs	311	-
Corporate restructuring and transitional costs	415	163
Deferred consideration release	(1,086)	(530)
Network obsolesce costs	50	107
Loan Impairment	200	-
Other	109	38
	(1)	(222)

Over here, there are two line-items related to the acquisition cost, hence we would have to create sub-adjustments under the parent adjustment row. (Restructuring/severance/rationalization/integration charges/acquisition cost/ merger related expense)

CQ: 202003 2020Q4 # Qtrs: Tax Rate 19% QC Chec

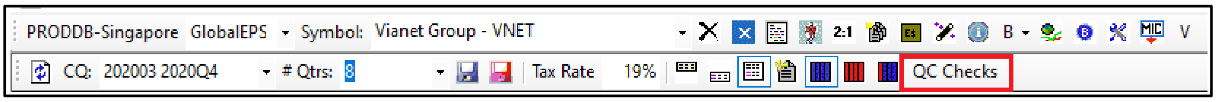
Adjustment		2019 YTD		2020 YTD		2020 F	GBP	C		202003 H2
Continuous EPS	C...		C...		CEPS	0.085			CEPS	0.025
Adjustments	Adj		Adj		Adj	0.002	0.000		Adj	0.021
Adjusted EPS	E...		E...		EPS	0.086			EPS	0.046
Est	Est		Est		Est				Est	
						2020-USG...	GBP			H2-USGAAP
Sum of: Restructuring/severa /rationalization/integ charges/acquisition costs /merger related expense					App...	EBT	CP...	☑	App...	EBT
	BT		BT	**-0.360**	BT	**-0.360**	A	☑	BT	**0.263**
	AT		AT	**-0.292**	AT	**-0.292**	A	☐	AT	**0.213**
	/shr		/shr	**-0.011**	/shr	**-0.010**	A	☐	/shr	**0.007**
									N	
Restructuring/severance /rationalization/integration charges/acquisition costs /merger related expense					App...	EBT	CP...	☑	App...	EBT
	BT		BT	0.415	BT	0.415	A	☑	BT	0.118
	AT		AT	0.336	AT	0.336	A	☐	AT	0.096
	/shr		/shr	0.012	/shr	0.012	A	☐	/shr	0.003
									N	
Corporate restructuring and transitional costs					App...	EBT	CP...	☑	App...	EBT
	BT		BT	0.311	BT	0.311	A	☑	BT	0.311
	AT		AT	0.252	AT	0.252	A	☐	AT	0.252
	/shr		/shr	0.009	/shr	0.009	A	☐	/shr	0.009

Similarly, there are four line items of which do not fit under the pre-defined adjustments. Therefore, we have to create new adjustments in order to collect these adjustments. Also, we can find another tax adjustment in the taxation note (Adjustment related to prior year)



Step 5:

Finally, after collecting we must click on the ‘QC Checks’ option. This will trigger all the quality checks, which has to be checked thoroughly and changes have to be made accordingly.



After this, we can simply buffer all the adjustments

9. Appendix

In this we have provided a list of 90 Quality check validations built in CPMS as well as some details on various currencies being used in the tool.

[Quality Check validations and Selection of currency]