



# IQ ASSET REGISTER

## (ENTERPRISE & BUSINESS & K8 TRADER)

## ASSET REGISTER

The ledger asset register is used to enter the details of actual assets purchased.

The journal entries must be captured when purchasing an asset and only asset details and depreciation details are entered here.

Depreciation is an adjustment the accountant makes at the end of a financial year.

A depreciation adjustment is when the value of the non-current assets is adjusted to a value that is referred to as the net realizable value.

The original cost of the asset is adjusted with the depreciation amount. The adjustment value of the asset is known as the carrying value or book value.

Depreciation is classified as an expense account, seeing that depreciation decreases the value of the non-current asset.

A Business is entitled to use several methods of depreciation. Two of the most common methods are the straight line and Reducing Balance options.

### CALCULATION OF DEPRECIATION:

<b>STRAIGHT LINE</b>	<p>Straight-line depreciation is calculated on the cost price of the asset using a pre-determined rate of depreciation.</p> <p>EXAMPLE: If a non-current asset was bought for R350,000.00 and the depreciation rate was given as 25% per annum, the annual depreciation would be: A residual value is the expected trade-in value or scrapping value at the end of the asset's useful life. 25% of R350,000.00 = R87,500.00.</p> <p>This will post the SAME amount of depreciation each time.</p>
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Straight Line Calculation	Example	Calculations	Running Total
Purchase Price	350,000.00		350,000.00
Initial Depreciation %	10%	350,000 – 35,000 =315,000	315,000.00
Annual Depreciation %	25%	315,000 * 25% = 78,750	78,750.00
One Month's Depreciation	1/12	78,750 * 1/12 = 6,562.50	6,562.50

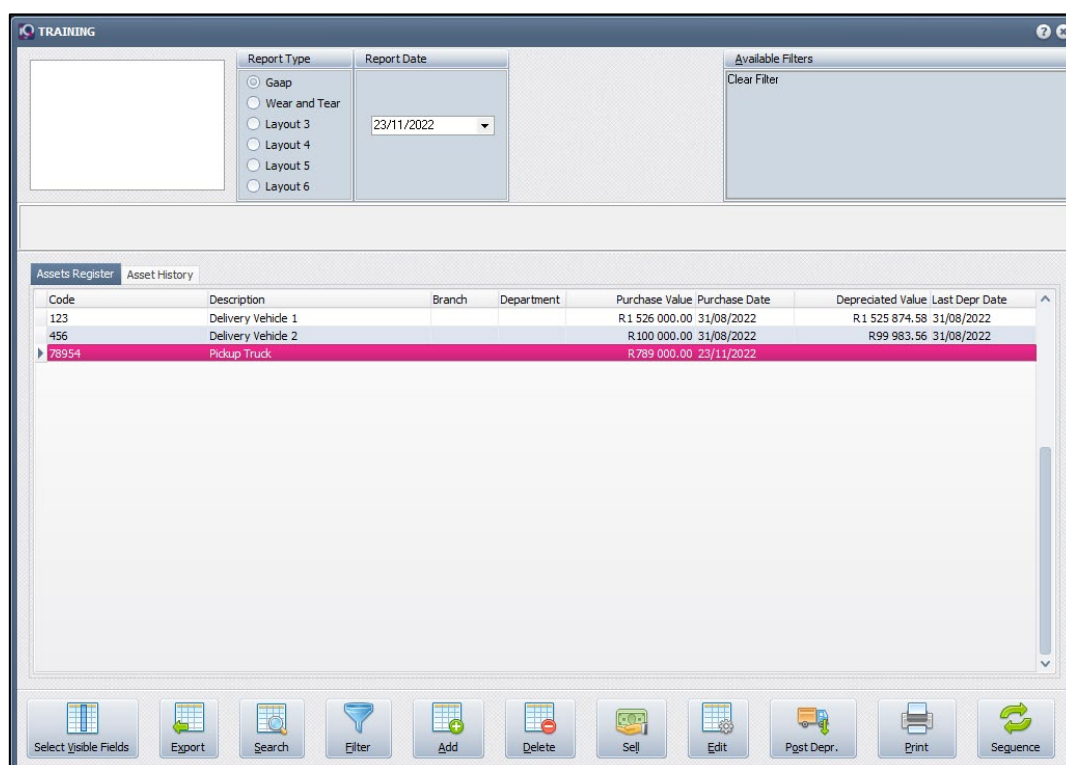
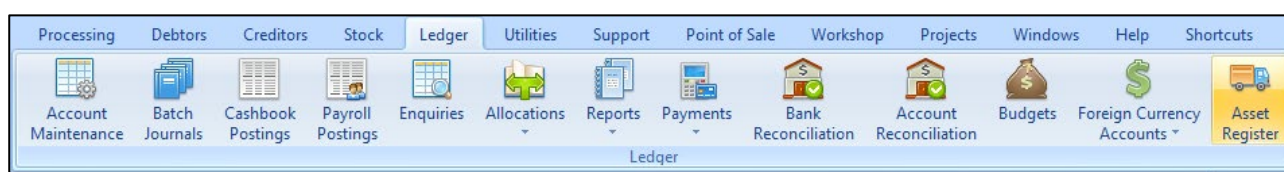
<b>REDUCING BALANCE</b>	<p>Reducing Balance depreciation is calculated as a percentage of the carrying value of the asset.</p> <p>This will post DIFFERENT amounts of depreciation each time and each posting will be less than that of the previous time, as the previous depreciation amount first subtracted from the principal amount before the next depreciation amount is calculated.</p>
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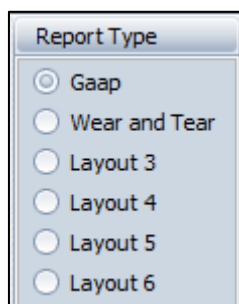
Reducing Balance Calculation	Example	Calculations	Running Total
Purchase Price	350,000.00		350,000.00
Initial Depreciation %	10%	350,000 – 35,000 =315,000	315,000.00
Previous Depreciation Amounts		315,000 – 78,750 = 236,250	236,250.00
Annual Depreciation %	25%	236,250 * 25% = 59,062.50	59,062.50
One Month's Depreciation	1/12	59,062.50 * 1/12 =	4,921.88

NOTE: All depreciation is calculated for one month regardless of the purchase date of the asset. Depreciation must be posted manually once a month.

### CREATING A LEDGER ASSETS REGISTER

In the Main Menu → Utilities → Setup → Company Details → Default Settings 1



**REPORT TYPE**


Report Type

☒ Gaap

☐ Wear and Tear

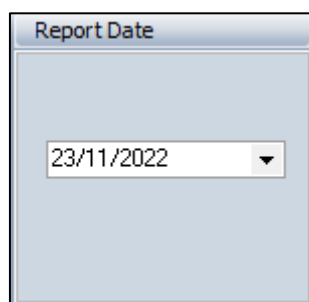
☐ Layout 3

☐ Layout 4

☐ Layout 5

☐ Layout 6

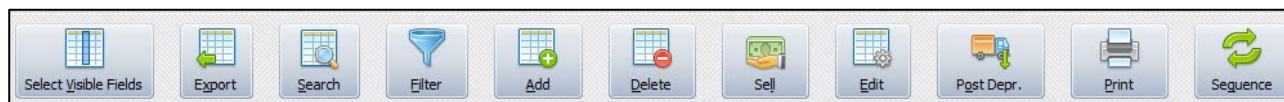
GAAP	<p>The GAAP (Generally Accepted Accounting Practice) option allows one to print a report for the Generally Accepted Accounting Practice method and is the standard method of depreciation calculation.</p> <p>GAAP stands for Generally Accepted Accounting Practice. The common set of accounting principles, standards, and procedures that companies use to compile their financial statements. GAAP is a combination of authoritative standards (set by policy boards) and simply the commonly accepted ways of recording and reporting accounting information.</p>
WEAR AND TEAR	<p>The Wear and Tear option allows one to print a report for the general wear and tear of an asset.</p> <p>WEAR AND TEAR is the gradual deterioration of an asset that results naturally from use and/or age.</p>

**REPORT DATE**


Report Date

23/11/2022 ▼

<b>REPORT DATE</b>	The report date allows one to choose a report date to print the report for a specific date.
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**BUTTON SELECTION**

<b>SELECT VISIBLE FIELDS</b>	To change the list of visible fields on the screen, select the Select Visible Fields option. Select a field in the list and enable it by adding a tick mark next to the field.
<b>EXPORT</b>	The export format allows one to export the current screen information to any of the selected formats namely (CSV, TEXT, HTML, XML or XLS). Once the export format is selected, select the Export option to export the on-screen information to the selected export format.
<b>SEARCH</b>	The search option allows one to search for any information that is displayed on the Ledger Account Maintenance screen.
<b>FILTER</b>	Use the filter option to filter for selected transactions, departments or other filter criteria selections.  HINT: The filter option can be used to filter only for selected stock items, departments or item code ranges.
<b>ADD</b>	The insert option allows one to add additional assets to the assets register.
<b>DELETE</b>	The delete option allows one to delete assets from the assets register.  NOTE: When assets are deleted, it's only the information on the screen that is deleted. The transactions that were posted when depreciation was posted will stay as they are in the ledger, the transactions will not be deleted.
<b>SELL</b>	The Sell option will allow the user to sell an Asset from the asset register.
<b>EDIT</b>	The edit option allows one to edit any of the existing assets that have been created.
<b>POST DEPR.</b>	Post depreciation option once selected, will automatically process the depreciation transactions and post them to the relevant accounts in the general ledger.  NOTE: the monthly installment on the office equipment or company vehicle still must be processed using cashbook postings.
<b>PRINT</b>	<p><b>PREVIEW</b></p> <p>The display option allows one to display the existing assets in a report form.</p> <p><b>DESIGN</b></p> <p>The design option allows one to modify the existing assets register report layout.</p> <p><b>PRINT</b></p> <p>The print option allows one to print the existing assets on a report.</p>
<b>SEQUENCE</b>	The sequence option allows one to change the order of appearance in the asset register screen. One can change between CODE and DESCRIPTION.

## ASSETS REGISTER

How to add a new Asset, Select the Add button

### ASSET REGISTER TAB

<b>ASSET CODE</b>	The code field shows the asset code. This is the code that was entered when the asset was created on the system.
<b>DESCRIPTION</b>	The description field shows the description of the asset. This description will be the name of the actual asset as it is entered into the system (e.g. Office Equipment, Company Vehicle etc....).
<b>SERIAL NUMBER</b>	The serial number field is for entering the serial number of the current asset. This may not be applicable to office equipment but it will be applicable to company vehicles.
<b>LOCATION</b>	Enter the location of the asset in this field. Example: For which branch, would this vehicle be allocated
<b>BRANCH CODE</b>	The branch refers to the branch code. This branch code is for information purposes so that one can see when the depreciation is posted and from which branch it comes from.
<b>DEPARTMENT CODE</b>	The department refers to the actual ledger department that the depreciation accounts are linked to for reporting purposes.

<b>GROUP CODE</b>	<p>The group code refers to a code that has been setup for reporting purposes. In other words, for grouping certain ledger accounts together. This option is useful when more than one sales account is used within the system. These accounts may be grouped together so that when a report is required to see all the sales accounts one can easily</p> <p>setup a filter to extract this type of information. These group codes must be setup under the Default Table Setup which can be found under the Utilities Menu Option. These groupings must be set on each ledger account for it to function correctly.</p>
<b>PURCHASE PRICE</b>	The purchase price refers to the original purchase value of the asset.
<b>PURCHASE DATE</b>	The purchase date field is used to enter the date of when the asset was purchased.
<b>DEPRECIATION RATE</b>	<p>The depreciation rate field is where the annual depreciation rate of the asset is entered.</p> <p>NOTE: In accounting, depreciation is a term used to describe any method of attributing the historical or purchase cost of an asset across its useful life, roughly corresponding to normal wear and tear. It is of most use when dealing with assets of a short, fixed service life, and which is an example of applying the matching principle as per generally accepted accounting principles. Depreciation and its related concept, amortization (generally, the depreciation of intangible assets), are non-cash expenses. Neither depreciation nor amortization will directly affect the cash flow of a company, as both are accounting representations of expenses attributable to a given period.</p>
<b>INITIAL DEPRECIATION</b>	The depreciation rate field is where the initial depreciation rate of the asset is entered. This is the percentage of the purchase price that will not be taken into consideration in the calculation of the depreciation, as this will be already written off.
<b>WEAR AND TEAR RATE</b>	<p>The wear and tear rate is where the specific rate is entered. Wear and tear entails the loss of value due to the usage of a vehicle for business purposes. The wear and tear amount can be claimed as a business expense. The wear and tear claimable value will simply show up as a different amount on the report. It will not be used when processing depreciation.</p>
<b>DEPRECIATION TYPE</b>	<p><b>STRAIGHT LINE</b></p> <p>Straight Line method of computing depreciation in which the depreciable cost (historical or purchase price) of a tangible capital asset is reduced by an equal amount in each accounting period (usually a year) over the asset's estimated useful life. Straight line depreciation is computed as a fixed expense by dividing the asset's depreciable cost by the number of years the asset is estimated to remain in service. Suitable where the usage of an asset remains generally uniform despite the asset's age, it is the simplest and most common method of computing depreciation.</p> <p><b>REDUCING BALANCE</b></p> <p>Reducing Balance method of computing depreciation in which the written down or book value (purchase price – accumulated depreciation) of a capital</p>



	<p>asset is reduced by a fixed percentage rate. This method results in larger depreciation amounts in the earlier years of an asset's useful life and progressively lower amounts in later years, and is employed where the usage of an asset remains generally uniform despite the asset's age.</p> <p>FORMULA: <math>1 - (\text{Residual value} \div \text{Cost})^{1/N}</math> where N is the number of years in the asset's estimated useful life. Also, called diminishing balance depreciation, and reducing balance depreciation.</p>
<b>ACCUM. DEPRECIATION ACCOUNT</b>	This field is where the accumulative depreciation account is selected for posting purposes. The accumulated depreciation account will be credited.
<b>DEPRECIATION ACCOUNT</b>	This field is where the depreciation account is selected for posting purposes. The depreciation expense account will be debited.
<b>FINANCE BANK</b>	The finance bank is where the specific finance banks information is entered. (e.g. Wesbank, Stannic or ABSA Vehicle Finance).
<b>REFERENCE</b>	The reference field is a field for entering the finance banks reference number to keep track of the asset.
<b>EXCLUDE FROM DEPRECIATION</b>	The exclude form depreciation option will (if selected) exclude the selected asset from the Post Depreciation option under the asset register.
<b>PICTURE</b>	This option will allow the user to load a picture of the asset.

**TRAINING**

Asset Details Attached Documents

**Assets Register**

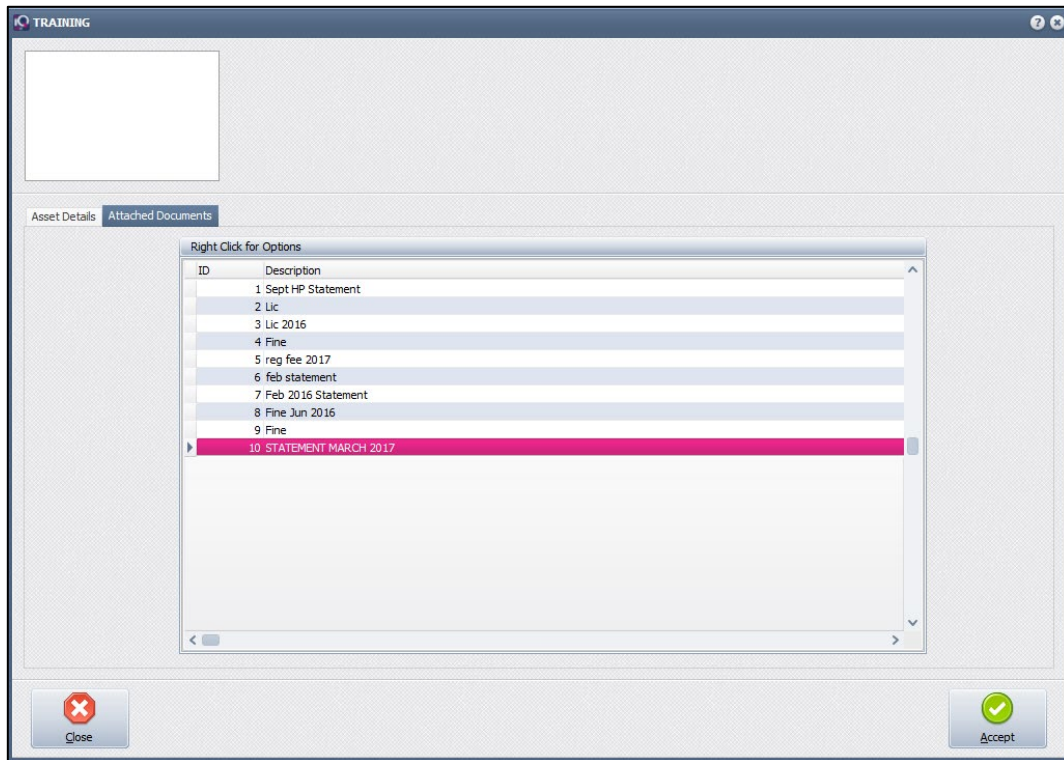
Asset Code: 456  
 Description: Delivery Vehicle 2  
 Serial Number: 98745654  
 Location: Greenwood park  
 Assigned To: James Harwood  
 Branch Code:   
 Department Code:   
 Group Code:   
 Purchase Price: 100000.00  
 Purchase Date: 31/08/2022  
 Residual Value: 0.00  
 Depreciation Rate (%): 6.00  
 Initial Depreciation (%): 0.00  
 Wear and Tear Rate: 0.00  
 Depreciation Type:   
☒ Straight Line  
☐ Reducing Balance

Accum. Depreciation Account: 1286.000.000.00  
 Depreciation Account: 3031.000.000.00  
 Finance Bank: ABX  
 Reference: 145787  
 Exclude From Depreciation: ☐  
 Picture:

Close Accept

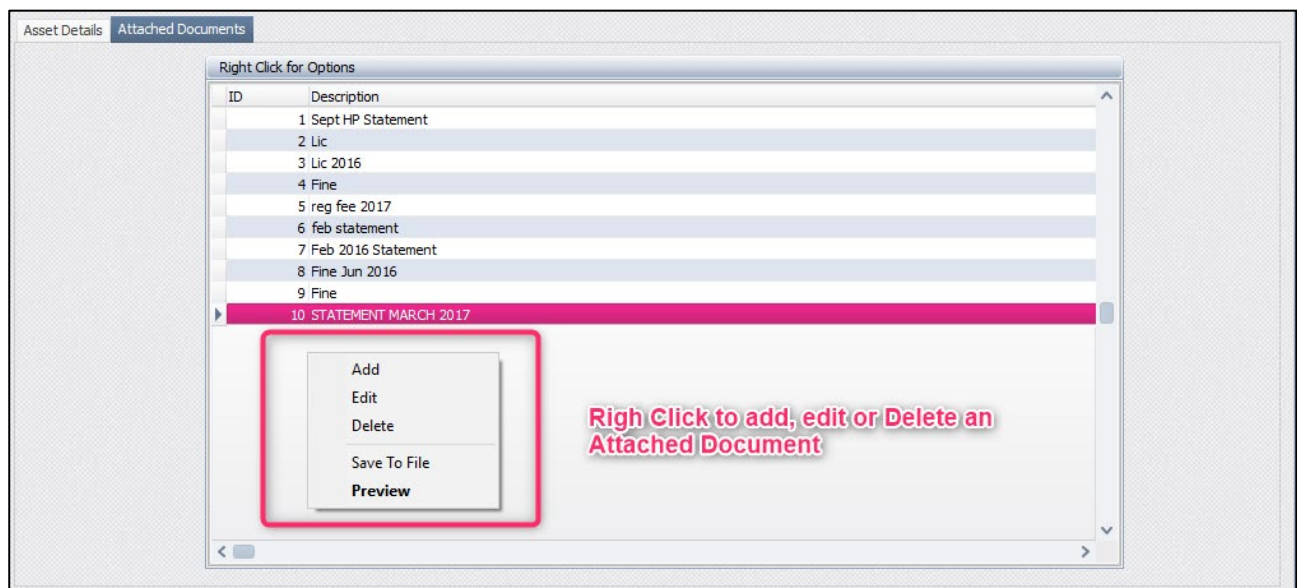


## ATTACHED DOCUMENTS TAB



<b>ID</b>	The Id field shows the code. This is the code that was entered when the was created on the system.
<b>DESCRIPTION</b>	The description field shows the description of the asset. This description will be the name of the actual asset as it is entered into the system (e.g. Office Equipment, Company Vehicle etc....).

## HOW TO ADD AN ATTACHED DOCUMENT FOR AN ASSET.



**ADD**

Type the Description

Add a comment

Data File (Not Assigned) ...

Use the ... to add a file. Browse to find.

The screenshot shows a window titled "Attachments" with a light blue background. Inside the window, there are several input fields: "ID" (a small text box), "Description" (a larger text box), "Comments" (a larger text box), and "Data File" (a dropdown menu showing "(Not Assigned)" with a red square highlighting the three dots to its right). At the bottom left of the window is a "Cancel" button with a red X icon, and at the bottom right is an "Accept" button with a green checkmark icon.

Select Accept to complete the attached file option.

## POSTING DEPRECIATION

Period to Process Depreciation

November 2022

Assets that are excluded from depreciation shown in red

Code	Description	Branch	Department	Purchase Value	Purchase Date	Depreciated Value	Last Depr Date
123	Delivery Vehicle 1			R1 526 000.00	31/08/2022	R1 525 874.58	31/08/2022
456	Delivery Vehicle 2			R100 000.00	31/08/2022	R99 983.56	31/08/2022
78954	Pickup Truck			R789 000.00	23/11/2022		

Post Depreciation

<b>POST DEPRECIATION</b>	Select Post the Depreciation to post the depreciation as per the depreciation methods and values for the selected period to the specified ledger accounts.
<b>PERIOD TO PROCESS DEPRECIATION</b>	The period to process depreciation is specified by selecting a month and year. Once the correct month and year have been selected, select the Post Depreciation option.

Confirm

Are you sure you want to post depreciation until 30/11/2022?

Yes No

Assets Register Asset History

Code	Description	Branch	Department	Purchase Value	Purchase Date	Depreciated Value	Last Depr Date
123	Delivery Vehicle 1			R1 526 000.00	31/08/2022	R1 514 460.93	30/11/2022
456	Delivery Vehicle 2			R100 000.00	31/08/2022	R98 487.67	30/11/2022
78954	Pickup Truck			R789 000.00	23/11/2022	R786 924.82	30/11/2022

Print  
Design  
Preview

Demo Data		Date Printed: 23/11/2022					1 of 1	
Assets Register (Gaap Depreciation)								
Data Filter: No Filter Specified							Currency: (R)	
<u>Code</u>	<u>Description</u>	<u>Purchase Amount</u>	<u>Purchase Date</u>	<u>Initial Depr. %</u>	<u>Depr. %</u>	<u>Method</u>	<u>Current Depr. Amnt</u>	<u>Current Value</u>
123	Delivery Vehicle 1	R1 526 000.00	31/08/2022	0	3	S	R10 661.10	R1 515 338.90
456	Delivery Vehicle 2	R100 000.00	31/08/2022	0	6	S	R1 397.26	R98 602.74
78954	Pickup Truck	R789 000.00	23/11/2022	0	12	S	R259.40	R788 740.60
		R2 415 000.00					R12 317.75	R2 402 682.25
*** END OF REPORT ***								

## ASSET HISTORY TAB

**TRAINING**

Report Type: ☐ Gaap ☐ Wear and Tear ☐ Layout 3 ☐ Layout 4 ☐ Layout 5 ☐ Layout 6

Report Date: 24/11/2022

Available Filters: Clear Filter

Code	Description	Branch	Depart...	Purchase Value	Purchase Date	Depreciated Value	Last Depr Date	De...	Sale Date	Sale Value
9856	OFFICE FURNITURE			R58 000.00	13/01/2010	R826.30	06/11/2012	False	06/11/2012	3800

Assets Register Asset History

Toolbar: Select Visible Fields, Export, Search, Filter, Add, Delete, Sell, Edit, Post Depr., Print, Sequence

Use the Sell button to Sell an asset and move the asset to the Asset History Tab

**TRAINING**

Report Type: ☐ Gaap ☐ Wear and Tear ☐ Layout 3 ☐ Layout 4 ☐ Layout 5 ☐ Layout 6

Report Date: 24/11/2022

Available Filters: Clear Filter

Code	Description	Branch	Department	Purchase Value	Purchase Date	Depreciated Value	Last Depr Date
123	Delivery Vehicle 1			R1 526 000.00	31/08/2022	R1 514 460.93	30/11/2022
456	Delivery Vehicle 2			R100 000.00	31/08/2022	R98 487.67	30/11/2022
78954	Pickup Truck			R789 000.00	23/11/2022	R786 924.82	30/11/2022

Assets Register Asset History

Confirm dialog: Are you sure you want to sell 123 - Delivery Vehicle 1. Yes No

Toolbar: Select Visible Fields, Export, Search, Filter, Add, Delete, Sell, Edit, Post Depr., Print, Sequence



**TRAINING**

Asset Sales Date: 24/11/2022

Asset Sales Price: 850 000.00

Invoice Number: INV487

Buyer ID: 4564

Buyer Address: 45 Short Street, Stellenbosch, 7600

Selection:

ESC Cancel

F10 Accept

## EXAMPLES OF DEPRECIATION POSTED IN THE GENERAL LEDGER

In the Main Menu → Ledger → Enquiries → Select the Depreciation Account → Display account

Processing Debtors Creditors Stock **Ledger** Utilities Support Point of Sale Workshop Projects Windows Help Shortcuts

Account Maintenance Batch Journals Cashbook Postings Payroll Postings **Enquiries** Allocations Reports Payments Bank Reconciliation Account Reconciliation Budgets Foreign Currency Accounts Asset Register

Select Financial Year: 2023

Sort Order: Account Number Description Account Type Alternative Description

Available Filters: Clear Filter

**DEP**

Accounts

Account	Type	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023
Bank Account	5	480.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00	35 600.00
Bank Account 2	5	0.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00
Bank Charges	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Back Sales Account	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash on Hand	6	49 161.33	49 812.43	49 812.43	64 720.13	64 724.23	68 390.93	69 701.13	70 260.43	70 451.03	70 451.03	70 451.03	70 451.03
Cleaning Expenses	1	0.00	2 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Collection Fees	1	0.00	1 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Company Formation Expenses	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computers Accumulated Dep.	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computers at Cost	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumable Stores	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Sales	2	0.00	43 559.92	14 438.92	30 694.96	1 723.84	13 222.79	3 300.02	9 280.95	113.90	0.00	0.00	0.00
Creditors Clearing Account	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors Control	9	428 998.24	428 998.24	560 319.44	560 629.07	560 646.25	583 474.53	597 734.87	597 734.87	629 290.87	629 290.87	629 290.87	629 290.87
Debitors Clearing Account	6	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00	-10 000.00
Debitors Control	6	275 431.61	278 224.04	308 680.49	340 272.49	352 254.52	392 626.52	398 058.86	414 839.47	415 185.07	415 185.07	415 185.07	415 185.07
Deferred Finance Charges	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	1	0.00	0.00	0.00	0.00	0.00	-141.83	0.00	0.00	-14 188.71	0.00	0.00	0.00
Directors Remuneration	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Discount Allowed	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Discount Received	4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Donations & Fines	1	0.00	850.00	0.00	0.00	0.00	1 070.00	0.00	0.00	0.00	0.00	0.00	0.00
Electricity & Water	1	0.00	8 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee Loans	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment Accumulated Dep.	7	0.00	0.00	0.00	0.00	0.00	125.42	125.42	11 539.06	11 539.06	11 539.06	11 539.06	11 539.06
Equipment at Cost	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Export Sales Account	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange Gain/Loss	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Furniture Accumulated Dep.	7	0.00	0.00	0.00	0.00	0.00	16.44	16.44	1 512.33	1 512.33	1 512.33	1 512.33	1 512.33
Furniture at Cost	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Expenses	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gifts Load Sales Account	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Purchase Creditors	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Import Vat (Capital Goods)	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Import Vat (Not Capital Goods)	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Select Table Fields Export Print Filter Search Balances Display Detail



NOTE: Depreciation posted in the general ledger accounts.

TRAINING

Account Details

Account No1286.000.000.00  
DescriptionDepreciation  
Branch  
Department

Period to View Month and Year

November2022

Opening Balance Cr-141.86  
Movement-14 984.71  
Closing Balance Cr-15 126.57

Available Filters

Clear Filter

Transactions

Date	Entry type	Reference	Description	Debtor	Creditor	Audit
30/11/2022	DEPRECIATION	123	Delivery Vehicle 1			413
30/11/2022	DEPRECIATION	456	Delivery Vehicle 2			414
30/11/2022	DEPRECIATION	78954	Pickup Truck			415

Export

Document

Balances

Notes

Filter

Running Balance

Audit

Search

Print Options

Select Visible

--- End of Document ---