

MYOB Exo Business Fixed Assets

User Guide

2020.2

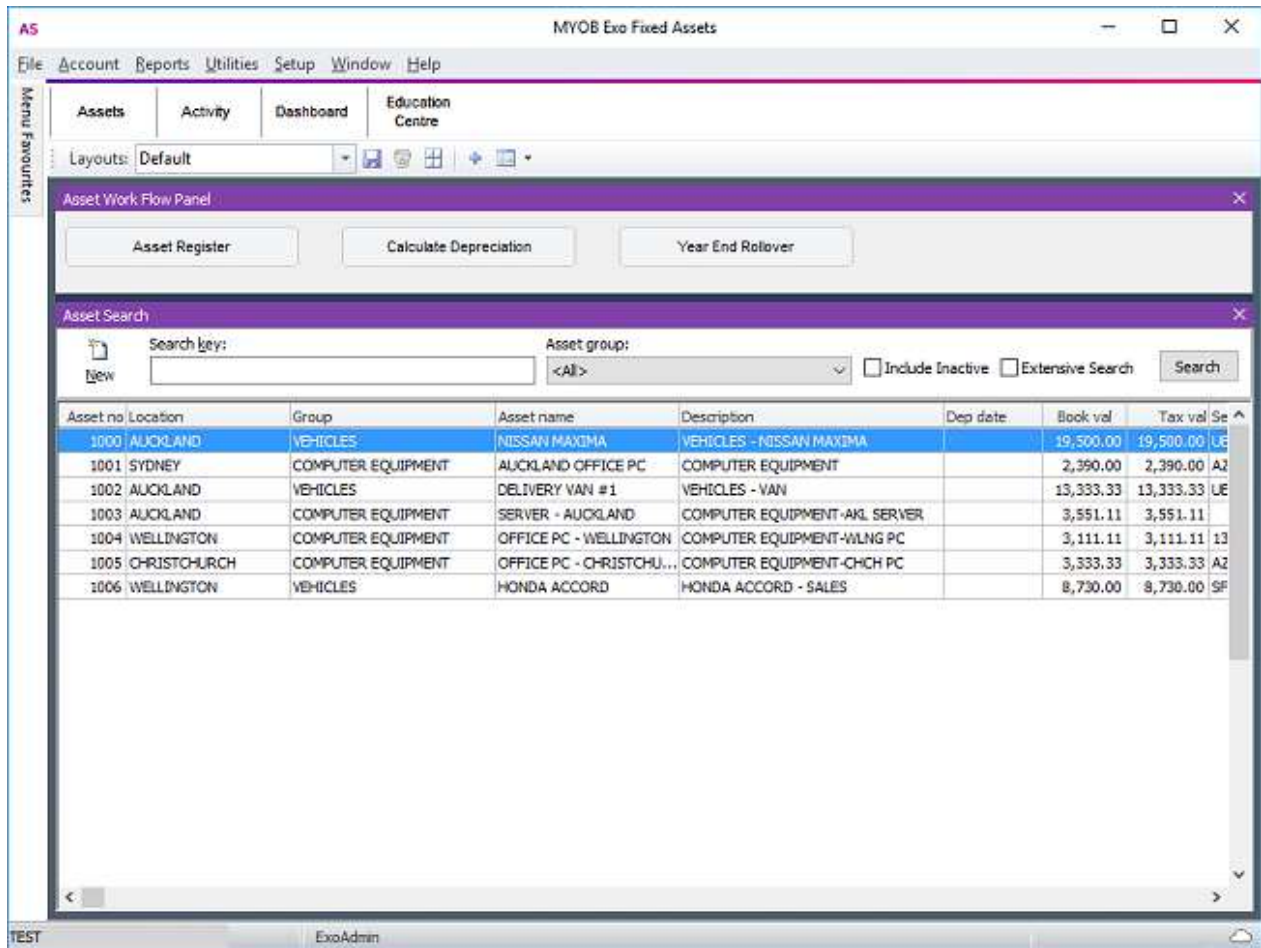


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MYOB Exo Fixed Assets

Use the Fixed Assets module to depreciate with automatic postings to the Exo Business General Ledger. You can also post journal entries to the General Ledger whenever assets are revalued or sold. You can print asset and depreciation reports.



Features

The major features of the Fixed Assets module include:

- Maintains details on each asset. This includes name, description, period depreciation, depreciation rates, asset locations, asset custodian, purchase invoice number, supplier details, date for next maintenance and maintenance supplier.
- Creates General Ledger journals for asset transactions (depreciation, revaluation, sale/disposal). These journals are posted directly to the Exo Business General Ledger.
- Prompt for assets that have been purchased (recorded on the Exo Business General Ledger), but not yet added to Fixed Assets.
- Allows relocation of assets.
- Tracks book and tax values for seven years.
- Provides two separate and independent depreciation records: one for taxation, the other for accounting.
- Enables you to prompt maintenance requirements for assets by selecting the next service date.

- Allows one asset to be assigned to another asset. The main asset is considered the parent.
- Allows the grouping of assets by types and the setting of default depreciation rates, depreciation codes and asset codes in the General Ledger.
- Provides reports related to Asset Groups, Depreciation, Revaluation and Maintenance.

Requirements

The General Ledger setup in Exo Business should contain the following:

- Account Groups for:
 - Fixed Assets
 - Depreciation Expense
- General Ledger accounts for each Asset Group for:
 - Asset Cost
 - Accumulated Depreciation
 - Capital Reserve
 - Depreciation Expense
 - Loss on Sale
 - Write Down

Setting up Fixed Assets

Asset Groups

Use Asset Groups to divide the types of assets in your business. You can associate different default depreciation rates and different General Ledger accounts for cost, accumulated depreciation and the like with each group.

Before using the Fixed Assets module, you must set up Asset Groups in the Setup Asset Groups window, which you can access by:

To set up an Asset Group:

1. Open the Setup Asset Groups window by selecting either:
 - **Asset Groups** from the **Setup** menu in the Fixed Assets module
 - **Admin > Exo Fixed Assets > Asset Groups** in Exo Business Configurator
2. Click the **New** button.
3. The **Details** tab displays. Complete all fields on this tab:

Field	Description
Group Name	The name for this group of assets.
Book Depreciation Rate (%)	The book or accounting rate for the asset. This is your default rate when setting up assets.
Tax Depreciation Rate (%)	The tax rate. This is your default rate when setting up assets.
Straight line	Select this option if you use the Straight Line depreciation method.
Diminishing value	Select this option if you use the Diminishing Value depreciation method.
Default Accounts	
GL Account	The balance sheet account where asset cost is held.
Depreciation Account	The Profit & Loss account to which to post the depreciation.
Depreciation Recovered Account	The Profit & Loss account to which to post the depreciation recovered.
Accumulated Depreciation	The balance sheet account where accumulated depreciation is held.
Capital Reserve Account	The balance sheet account that holds revaluation credits.
Loss on Sale Account	The Profit & Loss account to which to post the loss on sale.
Write Down Account	The Profit & Loss account to which to post write-downs.

4. Click **Save**.

To modify settings on an Asset Group, select the asset group from the list and double click. The details page of the group displays.

Note: Make changes to the General Ledger Account Groups before setting up Asset Groups. If the Account Groups are changed after Asset Groups have been set up, you must change the General Ledger accounts specified for the Asset Groups.

Asset Locations

You must specify a location for a new asset. Before using the Fixed Assets module, locations must be set up on the Setup Asset Locations window, which you can access by:

- selecting **Asset Locations** from the Setup menu in the Fixed Assets module
- going to the **Admin > Exo Fixed Assets > Asset Locations** section of the Exo Business Config application

To set up an Asset Location:

1. Open the Setup Asset Locations window by selecting either:
 - **Asset Locations** from the **Setup** menu in the Fixed Assets module
 - **Admin > Exo Fixed Assets > Asset Locations** in Exo Business Configurator
2. Click the **New** button.
3. Enter the location's name in the **Location** field.
4. Make sure that the **Active** box is selected.
5. Click **Save**.

Asset Defaults

Every time you start Fixed Assets, a screen displays the list of newly-acquired assets that are on the General Ledger but not yet in Fixed Assets. However, you must Fixed Assets which General Ledger accounts to look at by setting up Asset Defaults in Exo Business Configurator.

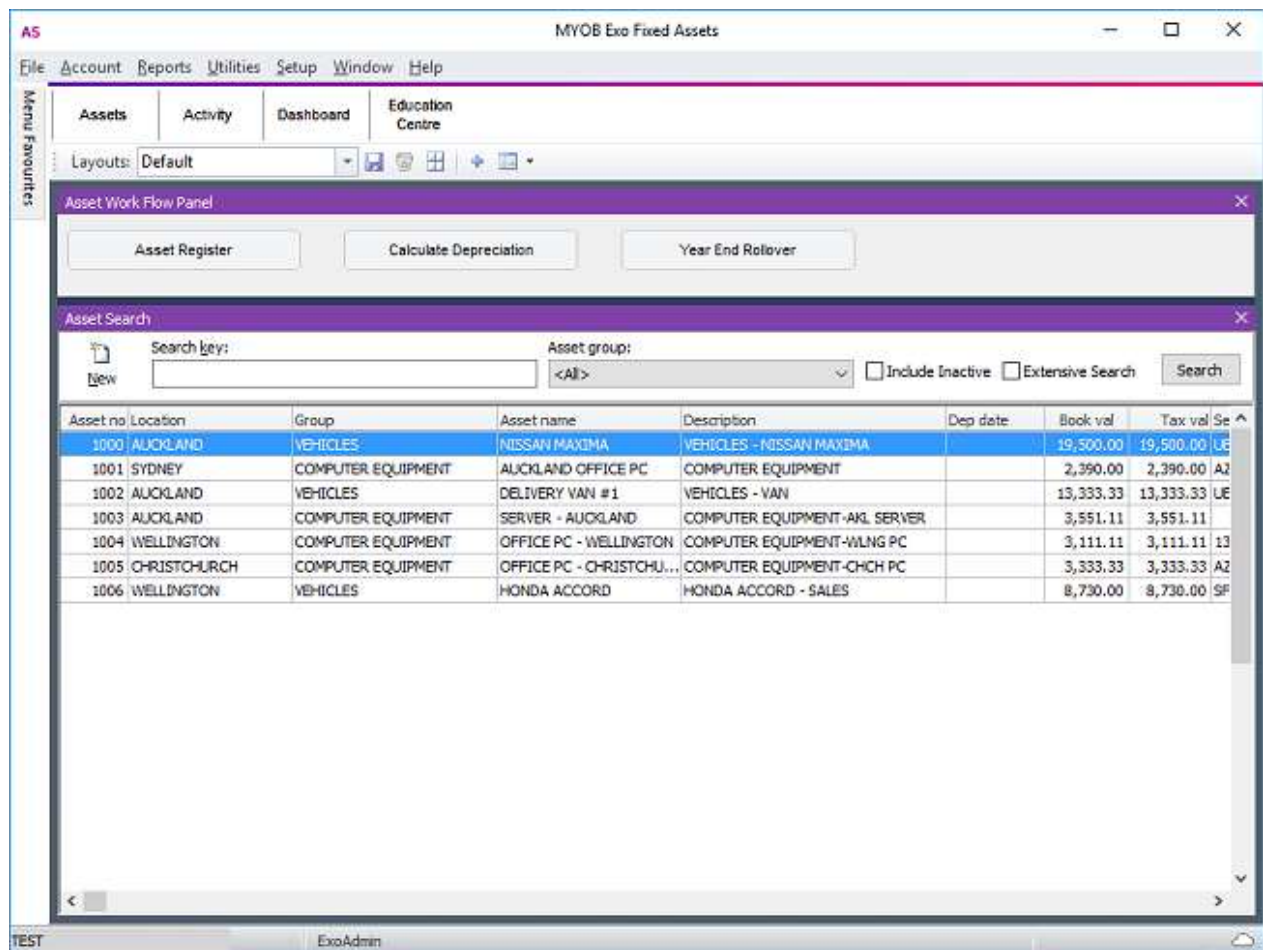
To set up Asset Defaults:

1. Open Exo Business Configurator and select the **Admin** tab.
2. Select **Asset Defaults** under **Exo Fixed Assets**.
3. Under:
 - **Fixed Asset** - specify the account(s) that are defined in Exo Business as the *Fixed Assets* General Ledger Account Group.
 - **Primary Depreciation** - specify the account(s) for depreciation. The selection that you make is based on your company's Profit and Loss GL code.
4. Click **Save**.

Asset Masters

Locating an Asset

To find and edit asset records, use the Asset Search widget on the **Assets** tab of the main business flow menu:

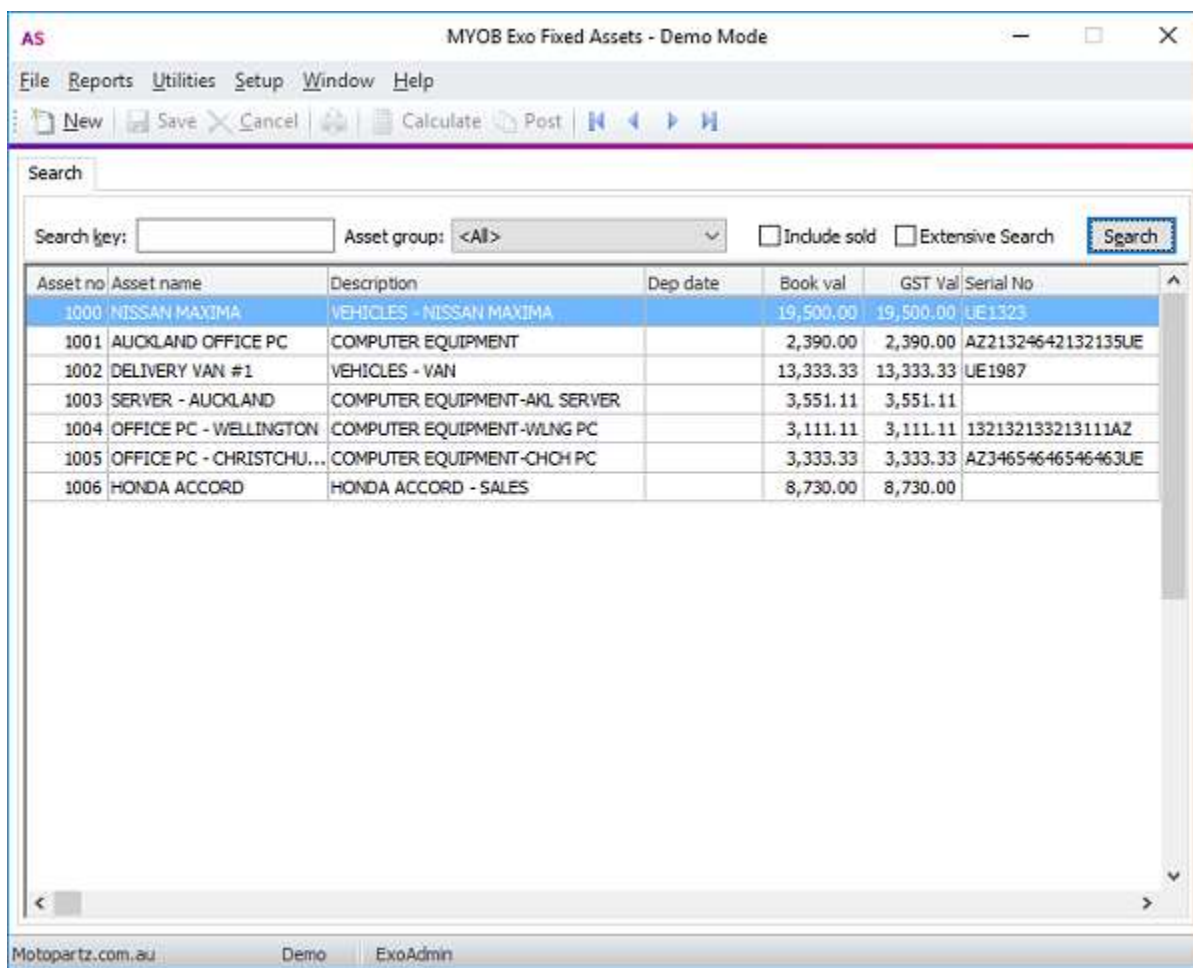


You can also open the Asset Search grid in a new window by selecting **Asset Register** from the **Account** menu, or by clicking the **Asset Register** button on the **Assets** tab of the business flow menu. This opens two windows:

- The main Fixed Assets window
- The General Ledger Assets window

Fixed Assets

Use the **Search** tab in the Fixed Assets window to find an asset:



Click the **Search** button to list all assets.

Or you can filter the list of assets by entering part of an asset's name or number, and/or by selecting an Asset Group before clicking **Search**.

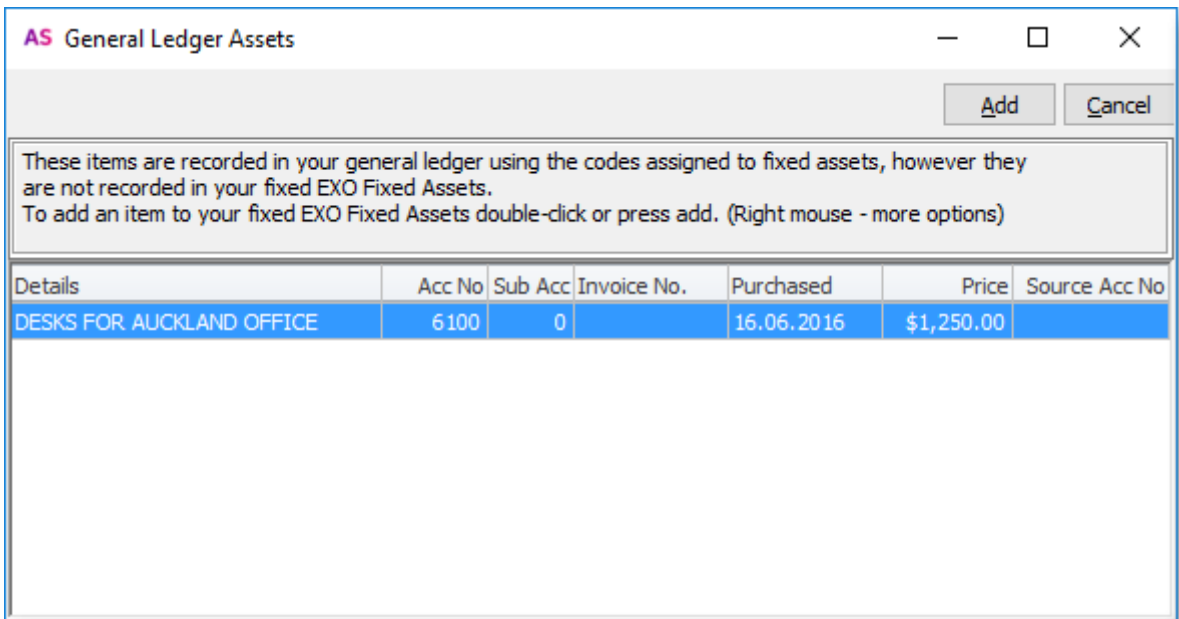
By default, the search only returns active assets. To view assets that have been sold, select the **Include Sold Assets** option before searching.

Fixed Assets searches on an asset's name and description. Select the **Extensive Search** option to also search on the asset's serial number.

Double clicking on an asset in the list displays the asset's details.

General Ledger Assets

The General Ledger Assets window prompts you to add newly-acquired assets that are on the General Ledger but not yet in Fixed Assets:



Some of the items listed as a General Ledger asset may either be part of an existing asset or may need to be split and recorded as multiple assets in Fixed Assets. You can delete items from this list by right-clicking the asset and selecting **Do not tell me about this asset again**. If you click this option, the item is deleted from the list; however, to see the updated list, you need to close Fixed Assets and restart it.

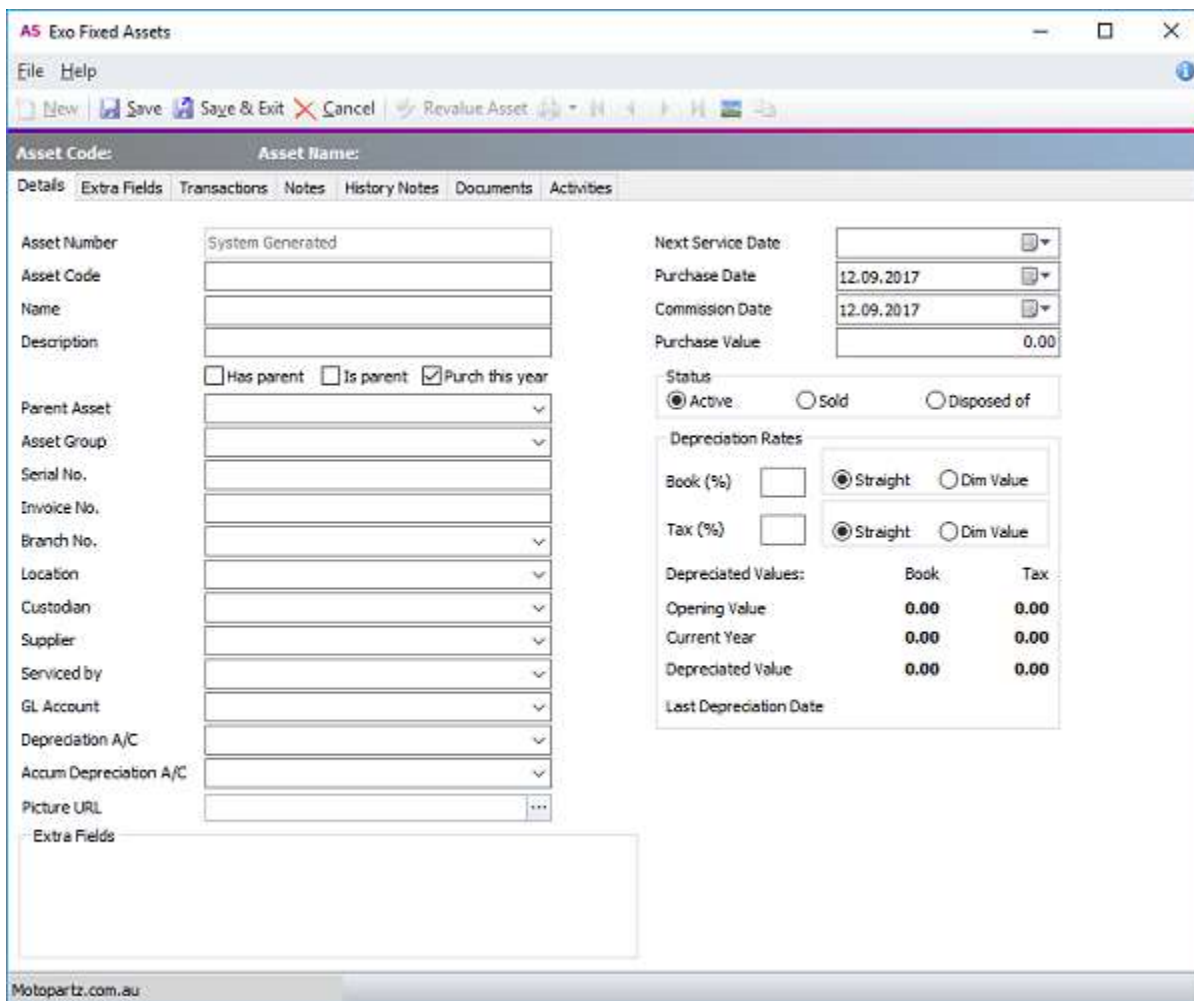
Adding an Asset

Record newly-acquired fixed assets in the General Ledger first. A creditor’s invoice for the purchase of a fixed asset is charged to a GL Fixed Asset cost account, then the asset is added to the Fixed Assets register.

To add an asset to Fixed Assets:

- Double click on an asset in the General Ledger Assets window (or select the asset and click **Add**).
- Click **New** on the Asset Search widget or the Fixed Assets window.

The Fixed Assets window displays, with the **Details** tab selected:



Enter values in all fields on the **Details** tab, then click **Save**.

Note: Adding an asset to Fixed Assets does not produce General Ledger accounting entries. The update to the General Ledger Asset Cost accounts is done independently. You must reconcile the GL Asset Cost accounts (and accumulated depreciation) to totals from Fixed Assets.

Asset Details

Enter this information for the asset:

Field	Description
Asset Number	A unique identifier for the asset. This number is generated by Fixed Assets. You can't change it.
Asset Code	A code to identify the asset.

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Name	The name of the asset.
Description	A description of the asset which appears in the General Ledger and on the invoice.
Has parent	Select this option if the asset is a part of a larger asset.
Is parent	Select this option if the asset is the main asset and has other subsidiary assets.
Purch this year	Select this option if the asset was purchased this year.
Parent Asset	If the Has parent option is selected, specify the asset's parent asset. You can only select assets with the Is parent option selected.
Asset Group	Select the Asset Group that the asset belongs to. This determines default values for General Ledger accounts and depreciation rates or methods.

Serial No.	The serial number of the asset (if applicable).
Invoice No.	The Creditor Invoice number.
Branch No.	The branch that the asset is located in.
Location	The location that the asset belongs in.
Custodian	The name of the staff member responsible for the asset.
Supplier	The name of the supplier who sold the asset to you.
Serviced by	The name of the person who will service the asset (if applicable).
GL Account	The Balance Sheet Asset Cost account number.
Depreciation A/C	The Profit & Loss Depreciation expense account.
Accum Depreciation A/C	The Balance Sheet Accumulated Depreciation account.

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Picture URL	Click the edit button at the end of this field to select an image file for the asset. You can view the image by clicking the View Image button on the toolbar.
Extra Fields	Any Extra Fields that have been set up on the ASSET_REG table in positions 1 - 3 appear in this section.
Next Service Date	The date you on which services takes place (if applicable).
Purchase Date	The date the asset was purchased.
Commission Date	The date to start depreciating the asset.
Purchase Value	The price paid for the asset (excluding GST).
Status	Select whether the asset is Active (with you and being depreciated), has been Sold or has been Disposed of .
Depreciation Rates	

Book [%]	The book/accounting depreciation rate.
Tax [%]	The tax depreciation rate.
Straight	Select this option if you use the Straight Line depreciation method for this asset.
Dim Value	Select this option if you use the Diminishing Value depreciation method for this asset.
Depreciated Values (all read-only)	
Opening Value	The opening Net Book Value for the current year.
Current Year	The amount that the asset has depreciated by this year.
Depreciated Value	The current Net Book Value of the asset (equal to Opening Val - Current Year).
Last Depreciation Date	The date when depreciation was last calculated on the asset.

Additional Tabs

Additional information and functions are available on the other tabs on the Fixed Assets window:

- **Extra Fields** - the Extra Fields that have been set up on the ASSET_REG database table in position 4 and onwards appear on this tab.

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- **Transactions** - this tab contains a dashboard with the Asset Transactions widget to displays transactions related to the asset.
- **Notes** - enter information about the asset.
- **History Notes** - add, edit and delete more formal notes about the asset.
- **Documents** - add external documents to the asset account. You can open the Document Manager utility from this window, and add documents to the tab by dragging them onto the tab.
- **Activities** - add tasks or appointments relating to the asset.

Note: Widgets on the Transaction dashboard can use the **Current Asset** parameter (@CURRENT_ASSET) to display data specific to the asset being edited.

Asset Transactions

Calculating Depreciation

Depreciation spreads the original cost of the asset over its expected life. Depreciation is calculated based on the cost price, and is debited to expenditure for the accounting period. It is a non-cash transaction.

Asset depreciation is calculated automatically, based on the depreciation rates and values that you specify while adding the asset to the register.

To calculate asset depreciation:

1. Select **Calculate Depreciation** from the **Utilities** menu.
2. The Depreciation tab displays. Set the **Depreciation Date** by selecting the date from the calendar.
3. Click the **Calculate** button. The Depreciation schedule displays:

Asset No	Name	Prev Value	Depreciation	New Value
1000	NISSAN MAXIMA	\$19,500.00	\$0.00	\$19,500.00
1001	AUCKLAND OFFICE PC	\$2,390.00	\$0.00	\$2,390.00
1002	DELIVERY VAN #1	\$13,333.33	\$0.00	\$13,333.33
1003	SERVER - AUCKLAND	\$3,551.11	\$0.00	\$3,551.11
1004	OFFICE PC - WELLINGTON	\$3,111.11	\$0.00	\$3,111.11
1005	OFFICE PC - CHRISTCHURCH	\$3,333.33	\$0.00	\$3,333.33
1006	HONDA ACCORD	\$8,730.00	\$0.00	\$8,730.00
Totals		53948.88	0.00	53948.88

Only assets with a **Last Depreciation Date** less than the Depreciation Date display. Specify the Accounting Period in which to post the depreciation expense to the General Ledger. You can also enter your initials as a reference for this depreciation run.

4. Click the **Post** button to post to the depreciation entry to the General Ledger, and perform the updates in the asset database.

Year-End Rollover

Perform the rollover at the end of the financial year. This process is associated with the depreciation run. You must have depreciated your assets up to the year-end date and posted this to the General Ledger. The year-end rollover is then run using the same year-end date. This process does not post anything to the General Ledger, but updates the database.

To perform a year-end rollover:

1. Select **Year End Rollover** from the **Utilities** menu. The Year End screen displays.
2. Select the **Rollover Date**. This should be the end of the current financial year and should be the same as the Last Depreciation Date. Fixed Assets warns you if this is not the case.
3. Click the **EOY Roll** button, then click **Yes**.

Revaluing an Asset

An asset may need to be revalued to meet current market values.

To revalue an asset:

1. Highlight the asset on the **Search** tab, then select the **Revalue Asset** option from the **Utilities** menu.

The **Revalue asset** tab displays:

The screenshot shows the 'AS Exo Fixed Assets' application window. The title bar reads 'AS Exo Fixed Assets'. The menu bar includes 'File' and 'Help'. The toolbar contains icons for 'New', 'Save', 'Save & Exit', 'Cancel', 'Revalue Asset', 'Calculate', and 'Post'. The main window displays the 'Revalue asset' form for asset 'NISSAN MAXIMA' with Asset Code '1000'. The form includes the following fields:

- Asset No: **NISSAN MAXIMA**
- Asset No: **1000**
- Current Value: **\$ 19500.00**
- New Value:
- Revaluation Date: Initials: GL Period:
- Comments:
- Posting Summary:

Write Down	<input type="text"/>	---->3330-0
Capital Reserve	<input type="text"/>	---->8050-0
Depreciation Recovered	<input type="text"/>	---->1900-0

The footer of the window displays 'Motopartz.com.au'.

2. Enter values for each field:

Field	Description
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New Value	The value of the item based on revaluation.
Revaluation Date	The date the revaluation is carried out.
Initials	The initials of the staff member handling the revaluation. This can be useful if any clarifications are required at a later stage.
GL Period	The General Ledger period that revaluation transactions should be posted to.
Comment	Any relevant information such as the source providing the revaluation figures.

3. Click the **Calculate** button. The fields in the Posting Summary panel are automatically completed.
4. Click the **Post** button.

Note: Following a revaluation it is normal to re-assess the remaining useful life of an asset. This may require you to change the Depreciation Rate – for example, if there are only two more years of useful life, then change the Straight Line Depreciation Rate to 50%. Subsequent Depreciation is calculated as the New Asset Value times the New Rate for the number of days from the last revaluation date up until the new depreciation date.

Selling or Disposing of an Asset

When a fixed asset is at the end of its useful economic life, you can dispose of it either by selling it, trading it in on a new model, or throwing it away.

To sell or dispose of an asset:

1. Double click on the asset on the Search screen to show the **Details** tab for that asset.
2. Select either **Sold** or **Disposed of** in the **Status** section.
3. Extra fields display at the bottom right of the tab:

AS Exo Fixed Assets

File Help

New Save Save & Exit Cancel Revalue Asset

Asset Code: 1000 Asset Name: NISSAN MAXIMA

Details Transactions Notes History Notes Documents Analysis

Asset Number: 1000
 Asset Code: 1000
 Name: NISSAN MAXIMA
 Description: VEHICLES - NISSAN MAXIMA
 Has parent Is parent Purch this year

Next Service Date: 05.12.2017
 Purchase Date: 23.09.2016
 Commission Date: 05.12.2017
 Purchase Value: 19,500.00

Status: Active Sold Disposed of

Depreciation Rates:
 Book (%): 20 Straight Dim Value
 Tax (%): 33 Straight Dim Value

Depreciated Values:	Book	Tax
Opening Value	19500.00	19500.00
Current Year	0.00	0.00
Depreciated Value	19500.00	19500.00
Last Depreciation Date	05.12.2017	

Date Sold: 12.09.2017
 GL Period: 0, September 2017
 Selling Price: 0.00 (Excl. of GST)
 Invoice No.:
 Depreciate book value in year of sale
 Depreciate tax value in year of sale

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Enter values for each field:

Field	Description
Date Sold	The date the asset was sold or disposed of.
GL Period	The General Ledger period to which to post the sale or disposal transactions.
Selling Price	The selling price of the asset (excluding GST). This field only applies when the asset is being sold.
Invoice number	The invoice number of the asset.
Depreciate book value in year of sale	Select this option to book/accounting depreciation in the year of sale.
Depreciate tax value in year of sale	Select this option if to include tax depreciation in the year of sale.

4. Click **Save**.

Reports

Fixed Assets Reports

The Fixed Assets module includes these reports:

Report	Description
Asset Purchases	Lists assets, showing their purchase date and purchase value.
Asset Sales	Lists all sold assets, showing their sale date and sale price.
Book Values	Displays the Book Values of all assets.
Tax Values	Displays the Tax Values of all assets.
All Groups	Lists all assets, sorted by asset group.
Revaluations	Displays details of all revaluations performed on assets.
Book Depreciation	Displays Book Depreciation values for all assets, sorted by Asset Group.
Tax Depreciation	Displays Tax Depreciation values for all assets, sorted by Asset Group.
Maintenance	Displays a schedule of upcoming service appointments.
Transactions by Asset	Lists all asset transactions (for example, revaluations, sales) performed during the specified time period. Transactions are grouped by asset.

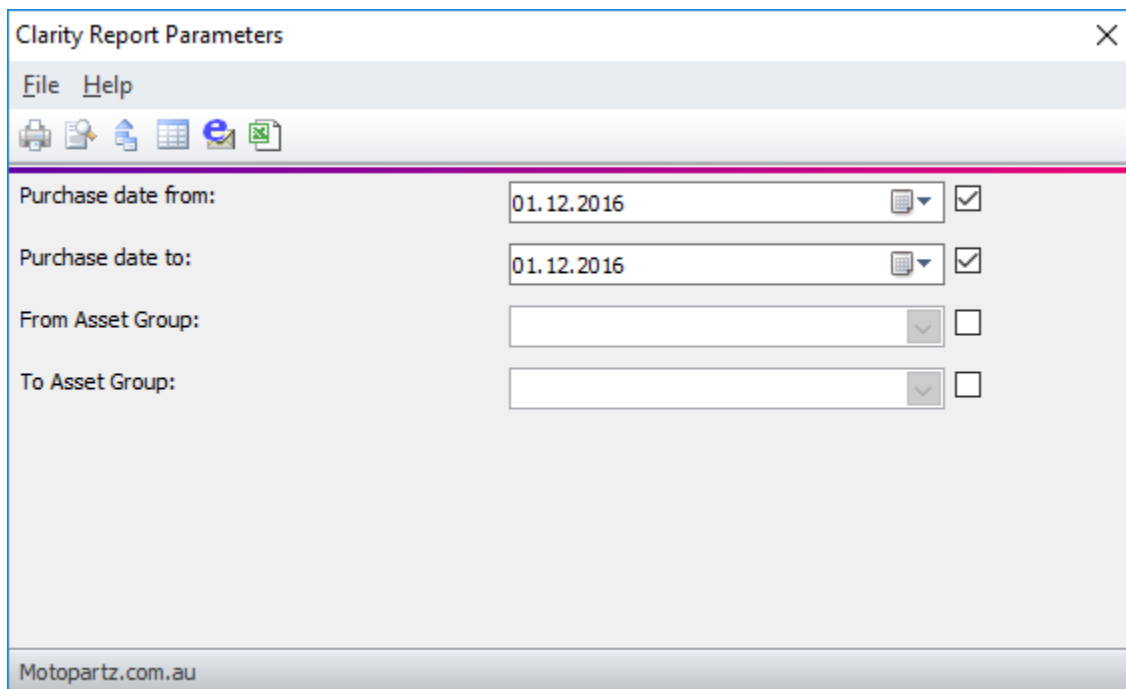
The report menu also contains a link to the Clarity Report Designer. The Clarity Report Designer is a utility for creating and editing reports and forms in Exo Business.

Note: See the Clarity help for more information.

Running a Report

To run a report:

1. Select the report from the **Reports** menu.
2. For some reports, a window opens in which you can filter the results by entering selection parameters:



The image shows a dialog box titled "Clarity Report Parameters" with a close button (X) in the top right corner. Below the title bar is a menu bar with "File" and "Help". A toolbar contains icons for print, search, home, calendar, email, and save. The main area contains four rows of controls:

Purchase date from:	01.12.2016	<input checked="" type="checkbox"/>
Purchase date to:	01.12.2016	<input checked="" type="checkbox"/>
From Asset Group:		<input type="checkbox"/>
To Asset Group:		<input type="checkbox"/>

At the bottom of the dialog box, the URL "Motopartz.com.au" is displayed.

3. Click the **Print** button to generate the report and send it to your default printer. Click the **Preview** button to display the report before printing it.

Technical Information

Depreciation - Worked Example

This example illustrates how the field values are used in the depreciation calculation and how they update as the asset depreciates.

An asset is added to Asset Register with a Purchase Value of \$1000, and Commission Date of 01-01-2010. These fields are set and do not change through the life of the asset:

- Acquisition value (START_VALUE) = \$1000
- Commission date (COM_DATE) = 01/01/2010

Most of the key fields used in the depreciation calculation display on the Asset Details screen:

Depreciated Values:			
	Book	Tax	
Opening Value	700.82	506.36	
Current Year	50.41	83.18	
Depreciated Value	650.41	423.18	
Last Depreciation Date		30.09.2011	

Property	Field	Contents	Notes
Commission Date	COM_DATE	01/01/2010	Date that Exo Business starts to depreciate from.
Purchase Value	START_VALUE	1,000.00	Acquisition value. Basis of straight-line depreciation.
Opening Val (Book)	YR1_BOOKVAL or START_VALUE, if you haven't done Year End Rollover.	700.82	Opening Net Book Value (NBV) for current year.

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Current Year (Book)	Opening Val – Dep Value. Not from a field.	50.41	Current year’s movement (mainly depreciation).
Dep Value (Book)	DEPVALUE	650.41	Current Net Book Value.
Last Dep Date	DEP_DATE	30/09/2011	Date that the asset is depreciated-to. i.e. Current NBV is current to this date.

Notes

- Also needed, but not seen on this screen, is CURRENT_YR_DEP_START_BOOK. This holds the commission date if the asset has not yet gone through a year-end roll, otherwise it holds the date of the last year-end rollover.
- All field values are held in the ASSET_REG table.
- The term Net Book Value (NBV) is defined as the Asset’s Cost (Acquisition Value) less Accumulated Depreciation.
- The example is only dealing with Book/Accounting Depreciation.
- In this example we depreciate every quarter, and year-end is 30th June.

This table shows how the fields are modified after each depreciation run and year-end roll. To understand how Fixed Assets calculates these values, refer to Depreciation Algorithms, which includes an example showing how the *Depreciate to 31/03/2011* line is calculated.

Event	DEPVALUE	DEP_DATE	YR1_BOOKVAL	YR2_BOOKVAL	CURRENT_YR_DEP_START_BOOK	Depreciation charged to GL
After the asset addition	1000.00				01/01/2010	
Depreciate to 31/03/2010	950.68	31/03/2010			01/01/2010	49.32
Depreciate to 30/06/2010	900.82	30/06/2010			01/01/2010	49.86
Year-End Rollover 30/06/2010	900.82	30/06/2010	900.82		30/06/2010	

Depreciate to 30/09/2010	850.41	30/09/2010	900.82		30/06/2010	50.41
Depreciate to 30/12/2010	800.00	30/12/2010	900.82		30/06/2010	50.41
Depreciate to 31/03/2011	750.68	31/03/2011	900.82		30/06/2010	49.32
Depreciate to 30/06/2011	700.82	30/06/2011	900.82		30/06/2010	49.86
Year-End Rollover 30/06/2011	700.82	30/06/2011	700.82	900.82	30/06/2011	
Depreciate to 30/09/2011	650.41	30/09/2011	700.82	900.82	30/06/2011	50.41

Depreciation charged to GL values are charged to the General Ledger as follows:

- DR: Depreciation Expense (P&L)
- CR: Accumulated Depreciation (BS)

Depreciation Algorithms

Fixed Assets calculates depreciation using either:

- Straight Line
- Diminishing Value

The properties on the **Details** tab under **Depreciation Rate** specify which method is used for each asset.

Straight Line Method

These steps show how Fixed Assets calculates depreciation and resets the values in fields on ASSET_REG. This assumes the Straight Line method is being used for book/accounting depreciation. Similar fields are available for tax depreciation.

- Determine the date to depreciate from. This is the earliest of either the start of the current financial year (CURRENT_YR_DEP_START_BOOK) or commission date (COM_DATE).

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- B. Calculate the number of days between the date to depreciate from (A) and the date to depreciate to. The date to depreciate to is the date specified on the Depreciation tab.
- C. Determine the opening Net Book Value (NBV). This can be the NBV at the start of the current financial year (YR1_BOOKVAL). However, if this is not set, (i.e. the asset has not yet gone through a year-end roll-over) use the asset's cost (START_VALUE).
- D. Calculate the Year-to-Date depreciation charge
= Depn Days (B) / 365 × Depn Rate (DEPRATEACC) × Asset Cost (START_VALUE)
- E. Calculate the new NBV (new DEPVALUE)
= Opening NBV (C) - The Year-to-Date Depreciation charge (D)
- F. Calculate the current period depreciation charge
= New NBV (new DEPVALUE, refer to (E)) - current NBV (DEPVALUE)

Updates:

- The depreciation charge (F) is charged to the General Ledger Depreciation expense account.
- Fixed Assets overwrites the DEPVALUE field with the new Net Book Value (E).
- Fixed Assets overwrites the Last Depreciated Date (DEP_DATE) with the date specified on the Depreciation tab.

Example

This example uses the asset from the Depreciation - Worked Example and shows how that asset's 31/03/2009 depreciation run is calculated.

On the Calculate Depreciation screen we specify 31/03/2009 as the **Depreciation Date**.

- A. Determine the date to depreciate from. This is the earliest of either the start of the current financial year (CURRENT_YR_DEP_START_BOOK) or commission date (COM_DATE) = **30/06/2008**
- B. Calculate the number of days between the date to depreciate from (A) and the date to depreciate to. The date to depreciate to is the date specified on the Depreciation tab = **274** Days between 31.03.2009 and 30.06.2008
- C. Determine the opening Net Book Value (NBV) = YR1_BOOKVAL = **\$900.82**
- D. Calculate the Year-to-Date depreciation charge
= **274** Depn Days / 365 × **20%** Depn Rate (DEPRATEACC) × **\$1000** Asset Cost (START_VALUE)
= **\$150.14**
- E. Calculate the new NBV (new DEPVALUE)
= **\$900.82** Opening NBV - **\$150.14** The Year-to-Date Depreciation charge
= **\$750.68**
- F. Calculate the current period depreciation charge
= **\$750.68** New NBV - **\$800.00** current NBV (DEPVALUE)
- G. = **\$49.32**

Updates:

- The depreciation charge (**\$49.32**) is charged to the General Ledger Depreciation expense account.
- Fixed Assets overwrites the DEPVALUE field with the new Net Book Value (**\$750.68**).

- Fixed Assets overwrites the Last Depreciated Date (DEP_DATE) with the date specified on the Depreciation tab (31/03/2009).

Diminishing Value Method

Diminishing Value is usually used for tax depreciation, so some of the fields that are being used/updated are different from the Straight Line Method. However, if Diminishing Value was used for book/accounting depreciation, the fields would be the same.

Apart from that, the only difference between Straight Line and Diminishing Value is with step D. The year-to-date depreciation charge is based on the Asset Cost (START_VALUE) if a year-end has not been performed. Otherwise, if a year-end roll has been performed, it will be based on the Net Book Value at the start of the current financial year (YR1_TAXVAL).

Using the Diminishing Value method, step D becomes:

- D. Calculate the Year-to-Date depreciation charge
 - = Depn Days (B) / 365 × Depn Rate (DEPRATETAX) × Asset Cost (START_VALUE) or NBV at start of year (YR1_TAXVAL)

Asset Sale - Worked Examples

Scenario 1

An Asset is purchased on 1 Feb 2020 for \$5000, set up with book depreciation of 33% SL. The company’s balance date is 31 March, so it is depreciated for each year and year-ends are performed. The asset is finally sold for \$3000 on 30 Jun 2021.

The following schedule shows each event that affects the asset, and the impact that the event has on the Asset Values, as shown on the **Details** tab, and the General Ledger Accounting that is initiated by that event.

	Add Asset 01/02/20 10	Depreciate to 31/03/20 20	Year-End Roll to 31/03/20 20	Depreciate to 31/03/20 21	Year-End Roll to 31/03/20 21	Depreciate to 31/05/20 21
ASSET VALUES						
Opening value (NBV at start of year)	5,000.00	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29
Current Year Depreciation	0.00	266.71	0.00	1,650.00	0.00	275.75

MYOB Exo Business Fixed Assets

Depreciation Value (current NBV)	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29	2,807.54
Last Dep Date (NBV as at this date)	01/02/2010	31/03/2010	31/03/2010	31/03/2011	31/03/2011	31/05/2011
GL ACCOUNTING						
Depreciation Expense		266.71		1,650.00		275.75
Depreciation Recovered						
Accumulated Depreciation		-266.71		-1,650.00		-275.75
Asset Cost	5,000.00					
Debtors or Bank						
Depreciation Calculation (33% Straight Line)		\$5000 × 33% × 59 days/365		\$5000 × 33% × 365 days/365		\$5000 × 33% × 61 days/365

The asset is sold on 30/06/2021 for \$3000.00

Sale 30/06/2021	
ASSET VALUES	
Opening value (NBV at start of year)	3,083.29
Current Year Depreciation	411.37

Depreciation Value (current NBV) 2,671.92

Last Dep Date (NBV as at this date) 30/06/2011

GL ACCOUNTING	Sale Journal A	Sale Journal B	Sale Journal C	Sale Journal D	Account Totals
Depreciation Expense	135.62				2,328.08
Depreciation Recovered			-328.00		-328.00
Accumulated Depreciation	-135.62	2,000.00	328.00		0.00
Asset Cost		-2,000.00		-3,000.00	0.00
Debtors or Bank				3,000.00	3,000.00
Depreciation Calculation (33% Straight Line)	\$5000 × 33% × 30 days/365				

Sales Journals

A - Additional Depreciation from 31/05/21 to 30/06/21 (the sale date).

B - Offset Cost and Accumulated Depreciation with Cost less Proceeds (\$5000 - \$3000). The Sale proceeds are accounted for separately (see Journal D).

C - Take whatever Fixed Assets considers to be Accum Depn (Cost - NBV : \$5,000 - \$2,671), then subtract the amount that has already been debited to Accumulated Depreciation (\$2000). This is either depreciation recovered or additional depreciation.

D - Journal to handle proceeds (not automatic from Fixed Assets).

Exceptions

In this example, the asset was sold for more than its Book Value and less than its original Cost.

If it was sold for less than its book value, Fixed Assets would account for the difference between NBV and the sale value as additional depreciation. The Depreciation Recovered account would not be affected.

If the asset is sold for more than its original cost, the entries would be as above except that Depreciation Recovered is only credited up to the total of Accumulated Depreciation; the remaining credit (the difference between sale proceeds and original cost) is credited to the Capital Reserve account, as it represents a capital gain. This is dealt with in Scenario 2 below.

After the sale the asset looks like this:

MYOB Exo Business Fixed Assets

The screenshot shows the 'MYOB EXO Fixed Assets - Demo Mode' window. The 'Details' tab is active, displaying the following information:

- Asset Number:** 1001
- Asset Code:** 1001
- Name:** AUCKLAND OFFICE PC
- Description:** COMPUTER EQUIPMENT
- Parent Asset:** (empty dropdown)
- Asset Group:** 101. COMPUTER EQUIPMENT
- Serial No.:** A22132464213213SUE
- Invoice No.:** 12345
- Branch No.:** 0. AUCKLAND
- Location:** 104. SYDNEY
- Custodian:** 4. GREG MANNING
- Supplier:** 0. MISC PURCHASES
- Serviced by:** NOT APPLICABLE
- GL Account:** 06.150-00. COMPUTER EQUIPMENT
- Depreciation A/C:** 03300-00. DEPRECIATION
- Accum Depreciation A/C:** 06200-00. ACCUMULATED DEPRECIATION
- Next Service Date:** 07.09.2011
- Purchase Date:** 01.02.2010
- Commission Date:** 01.02.2010
- Purchase Value:** 2,915.13
- Status:** Active Sold Disposed of
- Depreciation Rates:**
 - Book (%):** 20 Straight Dim Value
 - Tax (%):** 33 Straight Dim Value
- Depreciated Values:**

	Book	Tax
Opening Value	3083.29	3171.30
Current Year	411.37	256.17
Depreciated Value	2671.92	2915.13
- Last Depreciation Date:** 31.05.2011
- Date Sold:** 30.06.2011
- GL Period:** June 2011
- Selling Price:** 3,000.00 (Excl. of GST)
- Invoice No.:** A1234
- Depreciate book value in year of sale
- Depreciate tax value in year of sale

Scenario 2

This is exactly the same as Scenario 1, except that the asset is sold for \$6,000, giving rise to capital gains.

Note that all columns are the same as the previous example, except for the GL journal entries that account for the sale.

	Add Asset 01/02/20 20	Depreciate to 31/03/20 20	Year-End Roll to 31/03/20 20	Depreciate to 31/03/20 21	Year-End Roll to 31/03/20 21	Depreciate to 31/05/20 21
ASSET VALUES						
Opening value (NBV at start of year)	5,000.00	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29

Current Year Depreciation	0.00	266.71	0.00	1,650.00	0.00	275.75
Depreciation Value (current NBV)	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29	2,807.54
Last Dep Date (NBV as at this date)	01/02/2010	31/03/2010	31/03/2010	31/03/2011	31/03/2011	31/05/2011
GL ACCOUNTING						
Depreciation Expense		266.71		1,650.00		275.75
Depreciation Recovered						
Accumulated Depreciation		-266.71		-1,650.00		-275.75
Asset Cost	5,000.00					
Capital Gains						
Debtors or Bank						
Depreciation Calculation (33% Straight Line)		\$5000 × 33% × 59 days/365		\$5000 × 33% × 365 days/365		\$5000 × 33% × 61 days/365

The asset is sold on 30/06/2021 for \$6000.00

Sale 30/06/2021
ASSET VALUES

MYOB Exo Business Fixed Assets

Opening value (NBV at start of year)	3,083.29				
Current Year Depreciation	411.37				
Depreciation Value (current NBV)	2,671.92				
Last Dep Date (NBV as at this date)	30/06/2011				
GL ACCOUNTING	Sale Journal A	Sale Journal B	Sale Journal C	Sale Journal D	Account Totals
Depreciation Expense	135.62				2,328.08
Depreciation Recovered			-2,328.00		-2,328.00
Accumulated Depreciation	-135.62	-1,000.00	3,328.00		0.00
Asset Cost		1,000.00		-6,000.00	0.00
Capital Gains			-1,000.00		-1,000.00
Debtors or Bank				6,000.00	6,000.00
Depreciation Calculation (33% Straight Line)	\$5000 × 33% × 30 days/365				

Sales Journals

A - Additional Depreciation from 31/05/21 to 30/06/21 (the sale date).

B - Offset Cost and Accumulated Depreciation with Cost less Proceeds (-\$1,000 = \$5000 - \$6000). The Sale proceeds are accounted for separately (see Journal D).

C - Take whatever Fixed Assets considers to be Accumulated Depreciation (Cost - NBV : \$5,000 - \$2,671), then subtract the amount that has already been debited to Accumulated Depreciation (\$1000).

$$\$3,328.08 = (5,000.00 - 2,671.92) - 1,000$$

This amount is debited to Accumulated Depreciation to clear out its balance for this asset.

An amount equivalent to the total depreciation written-off over time (\$2,328.08) is credited to depreciation recovered. The remaining amount (\$1000) is equivalent to the sale proceeds (\$6000) less the original cost (\$5000), is credited to Capital Gains.

D - Journal to handle proceeds (not automatic from Fixed Assets).

Initial Data Upload of Depreciated Assets

The initial upload of assets that are already partially depreciated is a one-off process to transfer legacy data to Exo Business. You should test the date to ensure you get the correct results.

Note: The topic [Adding an Asset](#) contains field information on non-financial data (for example, Name, Description, Asset Group).

If you are unsure how to populate this data, add an asset manually. Then, look at the field values in the database. You can then load data using a similar format.

The key fields for loading a depreciated asset are detailed in the table below. The right-hand column gives an example of an asset purchased on 1/1/2008 for \$1000. It has been depreciated to 30/09/2009 at 20% straight-line. The company has a 30 June year-end.

ASSET_REG Field	Comment	Example
START_DATE	Date asset was acquired – does not affect depreciation calculation	01/01/2008
COM_DATE	Date that you started to depreciate the asset. Normally this would be the acquisition date.	01/01/2008
START_VALUE	Acquisition cost.	1000
DEPRATEACC	The book/accounting depreciation rate (20 represents 20%)	20
DEPTYPE	Type of depreciation (0 = Straight Line, 1 = Diminishing Value).	0
YR1_BOOKVAL	Null, if asset was purchased in the current financial year. Otherwise, it should hold the Net Book Value as at the end of the last financial year.	700.82
CURRENT_YR_DEP_START_BOOK	The COM_DATE if the asset was purchased in the current financial year. Otherwise it should hold the date of the last financial year-end.	30/06/2009
DEPVALUE	The current Net Book Value for book/accounting purposes.	650.41
DEP_DATE	The date of the current book/accounting Net Book Value, i.e. The date the asset has been depreciated to.	30/09/2009
TAXDEPTYPE	Type of depreciation (0 = Straight Line, 1 = Diminishing Value) to use for tax.	0
YR1_TAXVAL	Null, if asset was purchased in the current financial year. Otherwise, it should hold the NBV as at the end of the last financial year.	

MYOB Exo Business Fixed Assets

CURRENT_YR_DEP_START_TAX The COM_DATE if the asset was purchased in the current financial year. Otherwise it should hold the date of the last financial year-end.

DEPTAXVALUE The current NBV for book/accounting purposes.

Note: Net Book Value (NBV) = Cost less Accumulated Depreciation. On the first depreciation run after the assets have been loaded, Exo Business will recalculate the current NBV (DEPVALUE). If the loaded NBV does not make sense in terms of the all the other field values that are used in the depreciation calculation, then the results could be unexpected. For instance, if the loaded NBV (DEPVALUE) is understated, Exo Business will generate a negative depreciation value to correct the current NBV (DEPVALUE).

Year-End Rollover - Technical Process

Perform the Year-End Rollover at the end of the financial year. This process is associated with the Depreciation run. You must have depreciated your assets up to the year-end date and posted this to the General Ledger.

The Year-End Rollover is run using the same year-end date. You can't proceed if the Last Depreciation Date on each asset is not the same as the Year End Date. This process does not post anything to the General Ledger, but updates the database:

- YR6_BOOKVAL is moved to YR7_BOOKVAL
- YR5_BOOKVAL is moved to YR6_BOOKVAL
- YR4_BOOKVAL is moved to YR5_BOOKVAL
- YR3_BOOKVAL is moved to YR4_BOOKVAL
- YR2_BOOKVAL is moved to YR3_BOOKVAL
- DEPVALUE is moved to YR1_BOOKVAL
- CURRENT_YR_DEP_START_BOOK is set to the year-end date (same as DEP_DATE)
- YR6_TAXVAL is moved to YR7_TAXVAL
- YR5_TAXVAL is moved to YR6_TAXVAL
- YR4_TAXVAL is moved to YR5_TAXVAL
- YR3_TAXVAL is moved to YR4_TAXVAL
- YR2_TAXVAL is moved to YR3_TAXVAL
- DEPTAXVALUE is moved to YR1_TAXVAL
- CURRENT_YR_DEP_START_TAX is set to the year-end date (same as DEP_DATE)

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