

# MANAGING YOUR LEASE PORTFOLIO

## IN COMPLIANCE WITH IFRS 16

### A SOLUTION FROM ASG TO ENSURE ORGANISATIONS ARE COMPLIANT AND IN CONTROL OF THEIR LEASE PORTFOLIO

The IASB published 'IFRS 16' in January 2016 with an effective date of 1 January 2019. The new international accounting standard now treats leases as 'Right of Use Assets' – which requires recognition of assets and liabilities for all leases with a term of more than 12 months.

These changes require a fundamental shift in how leases are recognised on the balance sheet – making the process of accounting far more complex than it has ever been.

### IFRS 16 WHAT IS REQUIRED?

1

Organisations are required to recognise a right-of-use asset and lease liability for all leases;

2

Organisations are required to remeasure lease liabilities when there is a lease modification;

3

Organisations are required to reflect the lease related activities in Financial Statements;

4

Organisations are required to provide disclosures to support analysis of financial statements.

“THE NEW PERVASIVE IMPACT OF IFRS 16 REQUIRES COMPANIES TO **TRANSFORM THEIR BUSINESS PROCESSES AND COLLATE SIGNIFICANTLY MORE DATA AROUND THEIR LEASES THAN EVER BEFORE**”

### ASG LEASE ACCOUNTING SYSTEM

A single solution to reduce the complexity, risk and effort of new workloads resulting from IFRS 16.



#### CAPTURE AGREEMENTS AND LEASES

This caters for agreements and leases that are not only for ROU Assets, but all agreements. Capturing all the agreements ensures that they can be managed, renewed, extended, and terminated in a consistent and auditable manner.



#### RIGHT OF USE ASSET ASSESSMENT

The assessment process will determine if the agreement is a ROU Asset. If it is, then on approval the Asset Valuation is automatically calculated as well as the corresponding lease liability.



## LEASE MANAGEMENT

Financial impact of lease changes can be assessed with scenario modelling including buy Vs lease. Modifications to Lease details will recalculate and adjust the ROU lease liabilities. Lease Expiry reminders can be set with automatic generation of email alerts.



## FINANCIAL MANAGEMENT

Journals are generated monthly for posting to the appropriate accounts. Regulatory reports and disclosures documents are produced. Lease Recoveries and Payments are automatically generated for interface to the ERP system.

## LEASE INFORMATION REPORTING

Including:

- Asset Class and Expiring Leases Reports
- Lease Status and Maturity Report
- Lease Maturity Report
- Detail Lease and Asset Listing Reports
- New Leases and retired lease
- AP and AR Transaction Reports
- Lease Commitment report
- General Journal Extracts.

## DISCLOSURE REPORTS

Including:

- Interest Expense on Lease Liabilities
- Total Cash Outflow for the Leases
- Additions to Rights of Use Assets.

## CLIENT SUCCESS



### Government Department

Consolidation of five different lease systems and financial integration to Oracles's ERP (Ebusiness) solution.

4,800 Leases \$250M Value 1.1GB Data



# POWERING YOUR DIGITAL TRANSFORMATION

## ASG - OUR SERVICE

BASED ON **ORACLE PLANNING CLOUD**  
 PREBUILT  
 EASE OF INTEGRATION  
 ENHANCED FUNCTIONALITY  
 BUSINESS SUPPORT

## YOUR OUTCOMES

FAST IMPLEMENTATION  
 REDUCED COMPLIANCE RISKS  
 GREATER TRANSPARENCY  
 BETTER DECISION MAKING  
 CONTINUOUS TRANSFORMATION

## HOW TO CONTACT US

E: [info@asggroup.com.au](mailto:info@asggroup.com.au)

[www.asggroup.com.au](http://www.asggroup.com.au)