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Fixed Asset differences

Analysing differences on Fixed Asset notes within the Accounts



FIXED ASSET DIFFERENCES

A common query to our Support team relates to differences which report on the Fixed Asset tables. It is not always clear why these differences might be occurring, especially as the given figures can quite often display the expected figures.

Why is there a difference on my note?

The difference given on these notes will always indicate that the amount given on the note for your prior year closing, does not match the figure given in your prior year TB.

As an example, consider the following Tangible fixed assets note, currently presenting a difference.

	Freehold property £	Long-term leasehold property £	Total £
Change layout			
Cost or valuation			
At 1 April 2019	14,000	25,000	39,000
At 1 April 2019	14,000	25,000	39,000
Additions	3,000	3,000	6,000
At 31 March 2020	17,000	28,000	45,000
Depreciation			
At 1 April 2019	10,000	6,000	16,000
At 1 April 2019	10,000	6,000	16,000
Charge for the year on owned assets	5,000	1,000	6,000
At 31 March 2020	15,000	7,000	22,000
Net book value			
At 31 March 2020	2,000	21,000	23,000
At 31 March 2019	4,000	19,000	23,000
The difference exceeds the rounding tolerance therefore please review your trial balance			(1,000)

The given total for prior year is £23,000. However, on checking the assign mapping screen, the A01 codes relevant to this area total £24,000.

Name	Number	Balance	PY Balance
FIXED ASSETS			
Tangible fixed assets	A01	23,000.00	24,000.00
Intangible fixed assets	A02	0.00	0.00
Fixed asset investments	A03	0.00	0.00
Trade investments	A04	0.00	0.00

Why is my prior year total different from my prior year mapping?

On these tables, the prior year value is calculated not from the prior year closing TB, but by what is stated as your current year openings within the mapping structure. This means that the prior year value given on the note is **independent** of the amount mapped in the trial balance, so it is very possible for these to be different.

In our previous example, it can be seen that the prior year £23,000 total comprises the sum of the £4,000 and £19,000 values feeding in from the left.

Net book value

At 31 March 2020	2,000	21,000	23,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2019	4,000	19,000	23,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The difference exceeds the rounding tolerance therefore please review your trial balance

(1,000)

The £4,000, listed under freehold property, is consistent with the £14,000 cost opening, subtracting the £10,000 depreciation opening for that area. The same is true for the long-term leasehold property figures.

These figures can be traced back to the assign mappings screen, by reviewing the current year mapping on codes ending **.01** and **.51**.

Freehold property	A01.01	2,000.00	5,000.00
Freehold property	A01.01.00	2,000.00	5,000.00
Freehold prope...	A01.01.00.00	0.00	0.00
F/hold property...	A01.01.00.01	14,000.00	0.00
F/hold property...	A01.01.00.02	3,000.00	11,000.00
F/hold property...	A01.01.00.04	0.00	0.00
F/hold property...	A01.01.00.05	0.00	4,000.00
F/hold property...	A01.01.00.08	0.00	0.00
F/hold property...	A01.01.00.09	0.00	0.00
F/hold property...	A01.01.00.10	0.00	0.00
F/hold property...	A01.01.00.11	0.00	0.00
F/hold property...	A01.01.00.12	0.00	0.00
F/hold property...	A01.01.00.13	0.00	0.00
F/hold property...	A01.01.00.49	0.00	0.00
F/hold property...	A01.01.00.51	-10,000.00	0.00
F/hold property...	A01.01.00.52	-5,000.00	-10,000.00
F/hold property...	A01.01.00.54	0.00	0.00
F/hold property...	A01.01.00.55	0.00	0.00

How can I clear these differences?

Firstly, the most important information to have is confirmation of the correct prior year closing figure. The prior year signed accounts may need to be consulted to confirm the correct expected total.

Once the expected total is confirmed, either the amounts brought forward within the current year mapping are incorrect, or the amount within the prior year trial balance is incorrect.

Depending on why the figures might be incorrect, either;

- a) Post an adjusting journal entry to correct the incorrect figure, or
- b) Remap a nominal account (for example, a figure representing a brought forward amount may be mapped to an additions code).

In the running example, the prior year accounts show the note as below (when rounded to thousands);

3. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Total £000
Cost or valuation			
Additions	11	25	36
Revaluations	4	-	4
At 31 March 2019	15	25	40
Depreciation			
Charge for the year on owned assets	10	6	16
At 31 March 2019	10	6	16
Net book value			
At 31 March 2019	5	19	24

From this, the expected closing value for Freehold property cost in 2019 is £15,000, which means the amount brought forward on our current year file (£14,000) is incorrect. Thus an adjusting journal entry needs to be posted to the current year opening for cost in freehold property.

Where does the other side of my journal go?

This is a common and understandable question. If the query reaches the stage that an adjusting journal is required, then the balances that have been imported to this area **do not reflect** the figures that need to be disclosed. Judgement of where the other side of the entry should go is a decision that the user will need to make.

Is there a different process for consolidated tables?

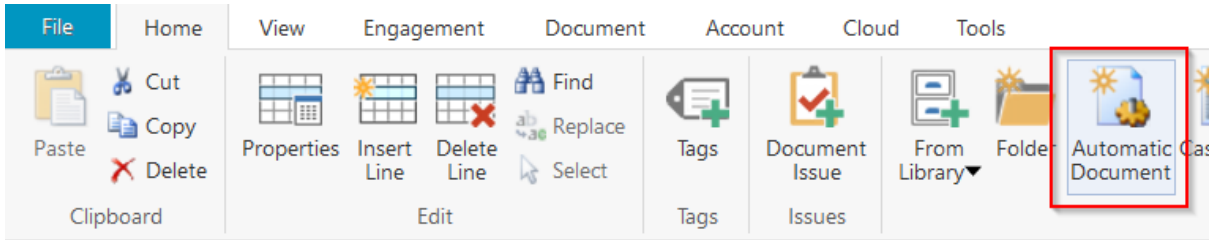
The principles discussed above still apply to consolidated tables, however there are a few points to be aware of when working with tables on a consolidated set of accounts.

- The assign mappings screen can only show consolidated figures.
- If an adjusting journal entry (or remapping) affects a **parent** nominal, this will affect **both** the consolidated and parent only tables.
- If an adjusting journal entry (or remapping) affects a **subsidiary** nominal, this will affect **only** the consolidated table.

- To affect the parent only table, without changing the consolidated figures, any changes made to a parent nominal should be balanced against a subsidiary nominal which is mapped to the same mapping code.

If it is essential to see the total prior year value in the parent only, a lead schedule can be constructed to show these values through the following means.

In the document manager, construct an automatic document using this option.



Assign the following properties to this lead schedule.

New Automatic Document X

General Roles Headings

Number: Name:

Document Type:

Format:

Lock Down
 Retain on Cleanup
 Include in Index
 Roll Forward
 Print Landscape

Deliverable
 Due Date:
 Delivered Date:

Settings

Context: Only

Balances:
 Balance Type:

Order:
 Rounding:

Grouping:
 Group No:

Structure:

From Account:
 To Account:

dBase Filter:

Foreign Exchange
 Consolidated View

Period Balances
 Combine Adjustments Into One Column

Show Amount Change
 Sign

Include Other Basis Adjustments
 Adjusting Entry Detail

The resulting lead schedule will show the values the entity selected from the 'context' menu highlighted above.

Fixed Asset Difference**ACCOUNTT**

Year End: 31 March 2020

Leadsheet/Grouping

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 03/19	%Chg
0001 PAR F/hold property-cost b/fwd	14,000.00	0.00	0.00	14,000.00		0.00	0
0002 PAR F/hold property-additions	3,000.00	0.00	0.00	3,000.00		11,000.00	-73
0004 PAR F/hold property-revaluation	0.00	0.00	0.00	0.00		4,000.00	-100
0011 PAR F/hold property-depn b/fwd	-10,000.00	0.00	0.00	-10,000.00		0.00	0
0012 PAR F/hold property-depn charge	-5,000.00	0.00	0.00	-5,000.00		-10,000.00	-50
0101 PAR L/Term L/hold property-cost b	25,000.00	0.00	0.00	25,000.00		0.00	0
0102 PAR L/Term L/hold property-addit	3,000.00	0.00	0.00	3,000.00		25,000.00	-88
0111 PAR L/Term L/hold property-depn	-6,000.00	0.00	0.00	-6,000.00		0.00	0
0112 PAR L/Term L/hold property-depn	-1,000.00	0.00	0.00	-1,000.00		-6,000.00	-83
Fixed Asset Difference	23,000.00	0.00	0.00	23,000.00		24,000.00	-4
	<u>23,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>23,000.00</u>		<u>24,000.00</u>	<u>-4</u>

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